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Toward the Stabilization and Enrichment of a Forest Community

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TOWARD THE STABILIZATION AND ENRICHMENT OF A FOREST COMMUNITY

By

Harold F. Kaufman
and
Lois C. Kaufman
Research Associates of The Montana Study

THE MONTANA STUDY
The University of Montana
Missoula, Montana
In Cooperation With
The U. S. Forest Service
Region One
Missoula, Montana

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This report by The Montana Study of the University of Montana was made at the request and through the cooperation of the U. S. Forest Service, Region One, Missoula, Montana

Cover: Spruce log from Bristow Creek, Lincoln County.
Charles Olson and James Shanholtzer, sawyers.
K. D. Swan photo.

THE MONTANA STUDY
The University of Montana
Missoula, Montana

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The U. S. Forest Service
Region One
Missoula, Montana

PREFACE

The reconnaissance study which this report describes had two closely related objectives. One was to suggest the factors, social, economic and physical, which appeared most important to the stability of a forest community - the Libby-Troy area of Lincoln County, Montana. A second objective, much more limited but an aspect of the first, was to analyze the present forest program from the standpoint of its contribution to community stability. Thus, in Part One of the report an attempt is made to present a brief but over-all picture of the community and some of its problems and possibilities. In Part Two social implications of forest management and utilization policies are described and recommendations as to future action are made. This latter part of the report receives such extensive treatment because the management and use of the forest resource is possibly the most significant approach in the realization of stability in the community studied.

This study serves as an administrative report to the two agencies, The Montana Study and the United States Forest Service, which sponsored the survey. It is hoped, however, that the report will be of equal value to leaders in the Libby-Troy area, and in other communities with similar problems, in planning for community stability and enrichment. In this report no attempt has been made to blueprint action programs but rather the aim has been to delineate certain areas and types of problems concerning which study and action appeared to be needed if community stability is to be realized. The findings and recommendations of the report are summarized in Section VIII, entitled "Points and Projects to Consider."

In a study of this nature, oriented toward the facilitation of an action program, a social scientist, in this case a sociologist, must utilize approaches and data beyond the field of his particular discipline. The investigator plays at least two roles: that of the sociologist and that of the compiler of relevant data from other fields. Some of the approaches used here common in sociological analysis are (1) a description of the organizational and leadership situation in the community, (2) an analysis of opinion on a major issue (the forest program), and (3) a discussion of social control and the distribution of rewards and privileges (in regard to the forest industry).

The field work phase of the survey took 3 months during the late summer and early fall of 1945. At this time the writers resided in the community studied. The survey was made possible through the cooperation of many persons (500 or more) in the Libby-Troy areas. Among those who deserve special recognition are: Miss Inez Ratekin, Mrs. James Shanholtzer, Mr. Ford Cripe, and Mr. Walter Neils.

The writers received invaluable assistance in a number of ways, especially in defining the survey objectives, from Baker Brownell, Director of the Montana Study, and from A. G. Lindh, Karl Klehm and A. B. Bowman of the United States Forest Service. Nicholas Helburn of the United States Forest Service collected certain technical information and wrote Appendices C, D, and E.

NOTE BY THE MONTANA STUDY

By
Baker Brownell, Director,
The Montana Study

Professor of Philosophy (on leave)
Northwestern University

This report is a joint project by The Montana Study and the United States Forest Service. It deals with the problems of stabilization and enrichment of a small forest community in northwestern Montana. To The Montana Study these problems are important as examples of the general problem of rural and community decay in America and of proposed ways to correct it. To the United States Forest Service these problems are important as one of the critical aspects of the proposed sustained yield program now under consideration in various parts of the country.

The Montana Study and the Forest Service found it advantageous to combine forces in this project. Because the Forest Service is one of the parties in a rather tense situation in Lincoln County Montana, it seemed advisable to have a report made and directed by an outside, impartial agency. This has been done by The Montana Study. The report was made by The Montana Study and in every respect was under its independent direction. The facilities of the Forest Service were used freely and the project was financed by the Forest Service, but in no case did the Forest Service direct the findings of the report. This is evident in the report itself.

The Montana Study is an experimental project in the Humanities, financed initially by the Rockefeller Foundation and sponsored by the university system of Montana. One of its main objectives is to study ways to stabilize and enrich the small community and the family in Montana and in America, in the belief that this is one of the most critical problems facing western civilization.

The authors of this report, Dr. and Mrs. Harold F. Kaufman, were brought by The Montana Study from the University of Missouri to do this work. They are Cornell-trained rural sociologists and have had professional experience in Ozark forest communities and elsewhere. They lived in the Lincoln County area 14 weeks in the summer and fall of 1945, and by hundreds of interviews, field studies, group meetings, and researches in the records became well acquainted with the area.

The directive to these young field workers by The Montana Study was: (1) Get the relevant facts as to the social situation and social attitudes, and (2) in view of these facts make recommendations as to what social policies will help most to bring about a rich and stable community life in the county under the conditions of the sustained yield program.

This is a large order. It involved an element of scholarly risk not ordinarily relished by young scientists concerned largely in protecting their potential, scientific reputations. But the Kaufmans took it and produced a report of far more value in an operational situation than a report within the strict conventions could have been. Though limited in time, both in investigating and in writing the report, they produced a most valuable piece of work.

NOTE BY THE FOREST SERVICE

By

Axel G. Lindh,
Assistant Regional Forester

The national forests are for the use and benefit of all the people in the United States as well as for the local communities. Within these limits public forests managed for the greatest good to the greatest number in the long run should contribute to people dependent on them for a livelihood.

Public Law 273 conceives that wherever forest communities depend on private as well as public timber for security and permanence, both classes must be placed under a form of management which assures continuous production. The cooperative understandings being considered between the Forest Service and the Libby Mill would require both parties to conform with such management.

The requirements would create a lien against the company's forest lands for the life of the contract. The investment required of the company will be substantial. Its assured returns must justify this so that the net cost would not be ruinous. A major requisite for sufficient returns is a continuous supply of timber in quantities necessary for the mill's continuous operation on an efficient basis. Probably 70 percent or more of the national forest sawtimber production in the Libby and Troy working circles is needed to add to the mill's timber to make its operations economic enough to justify its continuance on a sustained yield basis. The arrangement has to be mutually beneficial to the public and to the company to be feasible.

Thus will be created a monopoly for a portion of the national forest sawtimber production. The Forest Service realized that there were some social aspects in this that needed consideration. The Forest Service was, therefore, glad to have The Montana Study direct a community survey as made by Dr. and Mrs. Kaufman, so that their findings could be given consideration in formulating the final management plan.

Doubtless no plan can be worked out that will not require some compromise on the part of each of the three parties concerned, the local public, the Libby Mill, and the Forest Service. Certainly no acceptable plan can be developed without full understanding and cooperation of all three. On such a plan rests the hope for maintaining employment on a permanent level. Without it serious contraction of industrial activities appears inevitable following a temporary period of boom expansion.

The Forest Service believes that at least one reasonably sized mill is essential as a mainstay of industry in Lincoln County. Small mills are commonly wasteful of timber and their products are of such low quality as to be the first to weaken in declining markets. These handicaps cannot be readily overcome even with aggressive endeavors to raise the standard of their operations. Rarely in the United States have good permanent homes been supported by small mills. They have come and gone as lumber markets rose and fell. Despite all this a reasonable number of small mills are desirable. They help balance economy and offer a measure of outlet for those unwilling or unwanted to work in the larger more stable operation.

The purpose of the Sustained Yield Act (Public Law S. 273) is to promote stabilization of communities, forest industries, employment, and taxable forest wealth through sustained yield forest management. To this end there must be a reasonably sound industry well managed and with reasonable economic success. Many mill operators have failed financially through fire, poor management or poor markets even where unlimited raw materials were available. Many, not so hampered could nevertheless not go on a permanent sustained yield basis because of an inadequate source of timber.

One-tenth of the cost of mill-produced lumber is for stumpage; nine-tenths in transportation and processing. The sustained yield law makes no provision for controlling or assuring the management of operation costs comprised in the nine-tenths. It aims only to assure the raw material timber supplies without which even the best kind of management and operation cannot enable an industry to continue on a permanent basis. Unless the timber is continuously available the other nine-tenths benefiting labor, management and local services cannot be permanent.

On the other hand if the Forest Service were to provide a permanent supply of timber to an insecure and unstable operator, the community would not be assured of stability no matter how stable the timber supply.

On most of the Kootenai National Forest land geographical and physical conditions are such that logging can be active only 4 to 7 months during the year. A Lincoln County operation depending on national forest timber alone would be restricted to only such a period. This would mean seasonal work, heavy depreciation costs on equipment, greater overhead charges, and serious handicaps to maintaining steady market outlets for the lumber except during periods of very strong demand. The Libby Mill owns forest land that can be operated during all 12 months of the year. Unless such lands are included in a sustained yield operation with national forest lands, stable employment in logging is impossible.

A plan properly made can exclude Christmas trees, poles, posts, pulpwood and some sawtimber from the cooperative agreement. A sufficient amount of national forest sawtimber deemed essential as an addition to the private timber to make a permanent operation economically feasible should be included. The remaining unobligated sawtimber plus the minor products will provide an opportunity for a livelihood for small independent operators commensurate with their individual abilities and economic conditions. These opportunities provide partial corrections for the short-comings described by Dr. Kaufman. Current expansion of Zonolite mining operations and of the pole business at Troy-Libby open additional opportunities for new employment which Dr. Kaufman shows to be essential.

Forest Service planning would have to be directed first to assure a stable supply of timber to one reasonably sized substantial operator. The industry essential for stability in the county requires prime attention. A necessary part of this is good forest practices on both national forest and private timber land.

Foresters hope that here in Lincoln County, where an excellent opportunity still remains because much of the forest resource is still unused, there can be built a good forest community. They see the opportunity for permanent investments, permanent homes, steady employment, a stable tax base and excellent schools for all time, all situated in one of the most attractive mountain settings in the United States. These are all possible, and deemed certain, if the future management and use of the resource upon which they all depend can be secure.

Dr. and Mrs. Kaufman have made an excellent contribution to understanding the problems and possible courses of action. They emphasize the importance of community study and action in planning for basic resource and management.

They bring out the lack of understanding by local people of some of the basic public programs affecting them. A field of public information needs aggressive entry. At the same time there is shown a need for further study and action by the community.

To the extent that the report may have errors, the shortness of time available to Dr. Kaufman for the field study is responsible. In fairness to his work and so that his views may be freely presented and considered without any outside influence, his report has not been edited by the Forest Service regardless of any misconceptions that may be evident, or of how criticized might be the Forest Service administration. Community leaders and groups can well study the basic assurances and facts of national forest timber policy so that their well-informed advice and counsel can be most helpful to the Forest Service in meeting its responsibilities. The potential value of Dr. Kaufman's report can be completely obtained only to the extent the thinking people of Libby and Troy study and take action toward stabilizing their communities in the many ways he discusses.

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Part One

THE COMMUNITY AND SOME OF ITS PROBLEMS AND POSSIBILITIES

The stabilization and enrichment of life in a forest community are broad social objectives. It is the purpose in Part One of this report to consider some major approaches and problems involved in reaching these ends. An attempt is made to give a brief but over-all picture. For this reason there is only a cursory treatment of a number of questions, but it is hoped that the discussion is suggestive.

I WHY COMMUNITY STABILITY?

A pertinent question to ask is why stability is declared the objective of planning in a forest community. What is the meaning and what are the implications of this term? What specific projects and programs might be initiated in the community studied by which this objective might be realized? A discussion of these and related questions is the purpose of this report.

The Traditional Forest Community Noted for Its Instability

Of desirable community characteristics probably the one most conspicuous by its absence in forest areas has been that of stability. The exploitative timber industry has been a migrant one, having within a century and a half moved from one coast to the other. Consequently, the communities built around this industry have been noted for their instability; they have been either boom towns or ghost towns.

The boom town is characterized by a rapid increase in population, in employment and in apparent wealth, by shortages of goods and services and by social maladjustments. Social change rather than being orderly and planned is sporadic and haphazard. In the boom communities which are booming because of rapid liquidation of the forest resource, ghosts foretelling an unhappy future frequently lurk. These are the ghosts of an exhausted resource, of unemployment, of a declining population and of empty and decaying buildings. With such a future in view, the incentive is lacking for building permanent houses and stores, and stable institutions and organizations. Rather the philosophy, "eat, drink, and be merry for tomorrow we may die," is more appropriate.

The Libby-Troy community is not only in an area in which the traditionally unstable forest industry is the dominant one but this community is also in a state which during its history has known much instability. The Montana booms and depressions in mining, in livestock raising and in dry farming are well known.* Consequently, the question is pertinent as to whether a stable forest community in Montana can be realized.

Community Stability Proposed as an Objective of Forest Management

Several possible objectives in the management of a forest may be noted. There is, on one hand, what might be termed the silvicultural ideal - the maximum production from the forest within the limits of climate and soil. On the other hand, there is the objective of maximum profit over a short period; this implies rapid and ruthless exploitation. The Forest Service has long emphasized the principle of multiple use in the management of the national forest. Other objectives along with the growing of trees are range management, protection of watersheds, providing recreational facilities and the conservation of wildlife.

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*See Joseph K. Howard's, "Montana, High Wide and Handsome."

Relevant for this discussion are statements of forest objectives in terms of social welfare - the best interests of people. No better statement can be had than the much quoted principle from the Forest Service Use Book: decisions should be made "from the standpoint of the greatest good for the greatest number in the long run." Social ends are further emphasized in Public Law 273 when community stability is declared as a major objective to be obtained from combining public and private timberlands in sustained yield management units. Forest management techniques are regarded as means of promoting community stability and social well-being.

Community Stability - What It Is and What It Is Not

The term community stability, as used here, does not imply a static condition, the absence of change or the necessity of maintaining the status quo. The basic implication is orderly change rather than a fixed condition. Synonyms of stable are lasting, permanent and durable. But for an institution to be lasting, especially in the modern world, it must gradually change to meet new conditions. For this reason the most stable type of community in the present day would probably be one in which there was orderly change toward given goals; those goals embracing "the good life" in whatever way that might be defined.

Several Types of Stability

A community may have at least some measure of stability under a number of social systems, e.g., primitive, nomadic life, feudalism or a highly industrialized society. A technologically advanced society with democratic controls to insure equitable distribution of rewards and privileges is regarded here as the desirable type. It might well be argued, however, that social stability might be maintained more easily in a community with primitive technology and with wealth and power concentrated in a small class.

No Blueprint Possible

Community stability as the term is used here is a broad social objective. It is impossible to intimate all the principal answers, even for one small community. Thus, no blueprint is possible. Furthermore, in a democracy it should be the task of the people in the local community to determine finally their goals and procedures. All that is attempted in this short report is to suggest tentatively some approaches that should be considered - to indicate some problems which require solution if reasonable stability is to be gained in the Libby-Troy community.

Community Stability - Its Several Approaches

As a community is made up of people living and working in a physical environment, there are of necessity several types of approaches to stabilizing the community. A three-fold classification is made here. (1) There is the land use approach. A rural community's survival is dependent on the conservation and wise use of its natural resources. (2) The industrial and employment approach. For the highest standard of living a community must have among other things efficient industries and provide adequate services. (3) The social welfare and organizational approach. From this point of view the satisfactions and interests of people and the organizations and institutions necessary for meeting their needs are considered.

In order to see the community as a whole, all of the above approaches are needed. In Section II of this report a short description of the Libby-Troy community is presented. This is done as knowledge of existing conditions is essential for wise planning or appraisal of future possibilities. In Section III possibilities of more efficient organization and of expansion of industries, trades and services are considered. Section IV treats problems of a welfare and organizational nature. Certain community needs, suggested by those living in the area, are mentioned and the problems of leadership, meeting the needs of youth and the creation of a distinctly forest culture are briefly considered. Throughout the report certain measures of community living are presented and certain standards recommended.

Some significance of this survey may come from the fact that some of the major problems and trends in the Libby-Troy community are of Nation-wide importance. Chief of these are the conservation of the natural resources, labor-management relationships and the centralization of economic control.

THE MONTANA STUDY GROUP
Libby, Montana

Left to right: Arthur Bowman, sustained yield and timber management consultant, U.S.F.S.; W. R. Littell, editor and publisher of the "Western News"; A. H. Shelden, farmer, Grange Master; Carlton Joughin, businessman; Rev. Mr. C. M. Shotwell, minister First Presbyterian Church; Mrs. Art Shelden, housewife; O. L. Gillespie, superintendent of school Herman Ficke, staff man on fire control and improvement, U.S.F.S.; Ed Dutton, laborer and president of local Loggers Union; George Neils, logging superintendent and treasurer of J. Neils Lumber Company; Abner Role, laborer and president of Lumber and Sawmill Workers Union; Harry Moe, laborer and secretary of Lumber and Sawmill Workers Union; Miss Inez Ratekin, county librarian.

II THE FOREST COMMUNITY

When one thinks of a community he thinks of several elements, the people, their material possessions and the natural resources. Attention is focused here on the relationships of people with each other and on their adjustment to their physical environment - the two-way relationship of people and natural resources.

Place and People

The Libby-Troy community is located in the west and south portions of Lincoln County, Montana.* Lincoln County is located in the extreme northwest corner of the State, is bordered on the west by Idaho and on the north by British Columbia. The county has an area of approximately 3,750 square miles; the Libby-Troy community may be regarded as covering from two-thirds to three-fourths of the total area of the county. Ninety-seven percent of the land area in the county is in forest. This makes Lincoln County the first forest county in the State in terms of volume of timber.

Lincoln County is located on the western slope of the Rocky Mountains, its eastern border is less than 100 miles from the Continental Divide. Elevations range from approximately 1,800 to 9,000 feet and the terrain is mountainous with relatively little level land. The Kootenai River flows through the county - its course resembling on the map a reversed L. The area abounds in wildlife and has extensive natural beauties.

Population

Lincoln County may be thought of as having two trade-center communities - Eureka in the northeast and Libby-Troy in the south. Libby, the county seat is over 60 miles southwest of Eureka and 18 miles east of Troy. The county had a population of 7,882 in 1940. Assuming community boundaries follow school district lines, the Libby-Troy community would at that time have had a population of 5,392 or 68 percent of the county total. Within the community, the Libby area had approximately two-thirds of the population, 3,661 persons, and the Troy area one-third or a population of 1,731.**

The estimated population in the county in March 1944 was 6,541[x] or a decline of 17 percent from 1940. This is to be compared with a decline of 13 percent in the State. If the Libby-Troy community had the same rate of decline as the county as a whole it would mean that in March 1944 the community had a population of approximately 4,500. It is likely that the rate of decline was greater in the Troy area than in the Libby area. If, however, the rate of population increase in the community is equal to that predicted for the State as a whole,[xx] it will gain in the near future what it lost during the war period.

According to the census classification the total population of the Libby-Troy community is rural as there is no incorporated place with as many as 2,500 persons. Approximately one-fifth of the population would be classified as rural farm and the other four-fifths rural nonfarm. Libby in 1940 had a population of 1,837 and Troy a population of 796. Thus one-half of the community population lived within the corporation limits of these two centers and probably another 35 percent lived within 10 miles of them. It is likely that five-sixths of the population of the community is found on 2 percent or less of the area.

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* See Section V for a map of Lincoln County.

**The Troy area is regarded to comprise school districts 1, 2, 3, 15, 23 and 24; the Libby area districts 4, 6, 7, 11, 20 and 22. The remaining districts are considered in the Eureka community.

[x] Registrations for War Ration Book Four. All population statistics are from the U. S. Census unless otherwise indicated.

[xx] State Department of Public Welfare estimates.

The forest industry, the dominant one in the community, in many ways influences the people and their institutions. Such influence is revealed in the sex ratio, that is, the number of males per 100 females. In 1940 the sex ratio in Lincoln County was 126 as compared with 115 in the State and 101 in the Nation. The sex ratio in the county, however, is on the decline as it was 180 in 1910. This decline reflects, among other things, the fact that there is a growing proportion of married men and thus fewer homeless and wifeless men in the timber industry.

Another important characteristic of a population is its ability to replace itself as measured by the excess of births over deaths. Perhaps the best indication of increase in a population through births is the fertility ratio (children under 5 years per 1,000 women 15 - 44). This ratio in Lincoln County in 1940 was 488 as compared with 393 for the State and an even lower ratio for the Nation. This probably means that more children are produced in the community than are needed to maintain a stationary population. (It is difficult to make an estimate because of the high sex ratio.) If the sex ratio and the death rate of the country as a whole prevailed in Lincoln County, the present birth rate is sufficient to increase the population by approximately one-fourth in each generation.

Contact With the Outside

Distances between centers in Montana and other western states are much greater than in the eastern United States. Nevertheless, the Libby-Troy community has frequent and direct contacts with the outside; these outside contacts will become even more rapid as air travel becomes more common. Libby and Troy are on the main line of the Great Northern Railroad, on a bus line and a transcontinental highway. These give direct contact to Spokane, Washington, approximately 150 miles to the southwest and Kalispell, Montana, approximately 100 miles to the east. The former is the metropolis of the Inland Empire, the region lying between the Rockies and the Cascades, of which Lincoln County forms a part.

The daily papers most widely circulated in the community are from Spokane, Washington, Great Falls, Montana, and Missoula, Montana. Wholesale merchandise comes chiefly from Spokane, or from Missoula via Kalispell.

Making a Living

This includes a description of what people "do for a living" as well as "how well they live." Only very partial information is presented on the latter, however.

Occupations and Industries

The four leading basic industries in the community are (1) forestry, logging and timber products manufacturing, (2) farming, (3) railroading, and (4) mining. In recent years these four industries contributed an annual income of well over $2,000,000 and account for possibly as much as 95 percent of the basic income of the area. Of the amount contributed by these sources, it is estimated that three-fourths came from the forest and forest industries and the remaining one-fourth from farming, the Great Northern Railroad and mining.* Farming probably contributed slightly more total income than the railroad, and mining less than one-half as much as farming.

It is estimated that approximately 1,250 persons were employed in the community in 1945.** This is probably from 200 to 400 workers less than were recorded in the census of 1940. Some or all of the decline during the war period may be erased by the return of veterans and others since the summer of 1945. The estimated number employed in the various industries and occupations is as follows:

Forestry and forest industries	725
Farming	100
Mining	65
Railroad	60
All other (trade, public service, professions, etc.)	300

Although approximately 275 workers operated farms (according to census classification), probably no more than one out of seven of these individuals received the great majority or all of his income from farming. Most of the income of the other six out of seven farm operators was very likely received from the forest and forest industries. These facts are reflected in the estimates given above.

The five leading employers in the community probably account for three-fifths of the employment. These employers are the Libby Mill,[x] the Forest Service, the Great Northern Railroad, E. E. Drury and Sons (loggers and dealers in poles and posts), and the Universal Zonolite Insulation Company (vermiculite mining). The Libby Mill, the largest employer, gives employment to from one-third to two-fifths of all the workers in the community. According to the above estimates, 60 percent[xx] of all workers are employed in the forest and forest industries.

The most notable shift in type of employment in the last 20 years has been the marked decrease in the number of workers in railroading and in logging and an increase in the number in timber manufacturing. This has been a desirable trend in that more workers have had employment nearer their homes, and the consequent favorable effect of this condition on family life.

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* These are crude estimates which came from several sources: pay rolls and tax payments of leading enterprises, United States Census and S. B. Hutchison's "The Forest Situation in Lincoln County, Montana."

**This and the following crude estimates were made from a knowledge of the number working for the largest employers, and an enumeration of those employed in the services, trades and professions in Libby and Troy. Also some use was made of certain United States Census figures. The numbers given are for full-time, year-long workers (or their equivalents) who reside in the community.

[x] This designation is used for the J. Neils Lumber Company.

[xx] According to the 1940 census one-third of all workers in the county were engaged in forestry and in the forest industries. This did not take into consideration the part-time farmers who receive much of their income from the forest. Also, northeast Lincoln County has a smaller proportion of persons working in the forest industries, and thus brings down the county total, than has the Libby-Troy area.

Retail Stores, Personal, Professional, and Other Services

Almost all of the essential services of the above type are offered in the community. Both Libby and Troy have grocery stores, drug stores, electrical shops, barber shops, garages, filling stations, hotels, tourist courts and taverns. There is a theater in each town. Libby, in addition, has several clothing stores, hardware stores, beauty parlors, a creamery, and the only newspaper and the only bank in the county. Libby has a practicing physician, two dentists and a hospital; Troy has none of these services. Each town has a telephone exchange, and there are electrical current and water distribution systems in each place.

Level of Living

A few levels of living indices are available on which Lincoln County values are compared with those for the State. On these indices it is likely that the Libby-Troy area would rank as favorable, and in some cases more so, than the county as a whole. According to the 1940 Housing Census, 61 percent of all occupied dwellings in Lincoln County were owner occupied and the average value of these houses was $1,321. Eighty-two percent of the nonfarm homes had radios, 72 percent electric lighting equipment, 41 percent bathtubs or showers and 31 percent mechanical refrigeration. These figures are comparable to the State totals.

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A frequently used measure of the purchasing power of a population is the value of retail sales per capita. In 1935 this was $225 for Lincoln County, $352 for Montana, and $270 for the Nation.* Three other indices* of the level of living on which Lincoln County is compared with the State and Nation are as follows:

	Lincoln County	Montana	United States
Number of passenger automobiles registered per 100 families - 1936	60	84	75
Circulation of 12 national magazines per 100 families - 1937	96	143	94
Individual income tax returns (Federal) per 1,000 persons - 1935	22	37	38

With respect to State income tax returns per 1,000 persons, Lincoln County is below the State figure - 40 as compared with 61 in 1938.**

Lincoln County's public assistance record is also less favorable than that for the State - the proportion receiving assistance is higher and the payments per case are lower. In 1945 Lincoln County had a higher proportion of persons 65 years of age and over receiving old age assistance than any other county in the State. (It does not, however, have the highest percentage of older persons.) Fifty-five percent of these older persons in Lincoln County received public assistance as compared with 30 percent in the State as a whole. For this reason Lincoln County was exceeded by only one other county in the proportion of the population receiving public assistance. In Lincoln

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* Consumer Market Data Handbook, 1939 Ed., U. S. Dept. of Commerce.

**WPA analysis taken from R. R. Renne and N. Helburn, "Area Analysis Kalispell-Flathead Region, Montana."

County in September 1945, 4.9 percent of the population received public assistance as compared with 2.6 percent for the State. The high old age assistance rate for Lincoln County reflects the type of timber industry of a decade or two ago - employment of a relatively high proportion of single men and men who did not accumulate savings for old age.

An inspection of a peak public assistance case load which occurred in September 1938 shows 10.9 percent of the Lincoln County population receiving aid as compared with 9.7 percent for the State.*

Social Organization

An important phase of the life of a community is its organized aspect. At least 50 organizations were active in the Libby-Troy community in 1945. These are described in tables 1A and 2A** in terms of the number of members, average attendance, frequency of meetings and date organized. These organizations are classified either as religious, civic, fraternal, farm and home or recreational. The number of organizations of each type in the Libby and in the Troy area are as follows:

	Libby	Troy	Both areas
Churches	10	4	14
Civic	5	3	8
Fraternal	15	3	18
Farm and home	5	2	7
Recreational	2	1	3
Total	37	13	50

Although all of these organizations were in existence, there was no doubt a sizable proportion of the population which had no contact with any of them. Economic agencies, schools, governmental units and labor unions are not included above.

Over one-half of the organizations on which information was secured (20 out of 38) had been organized 25 years or longer. This is some indication of community stability.

Schools

Although there are nine public schools in the community, 90 to 95 percent or more of the students attend either the Libby or Troy schools. Of the seven open-country schools one had no students in the fall of 1945 and another had only three. In the last two decades at least three of the open-country schools in the area have been closed and the students in these districts have been transported to the town schools.

There are two high schools in the community - one at Libby and one at Troy.

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* All public welfare statistics were furnished by the State Department of Public Welfare. Percentages were computed on the basis of the most recent U. S. Census figures as of that date.

**All tables referred to in Part One of the report are found in Appendix A. An attempt has been made to include all organizations, except auxiliary religious organizations, but a few may be missing from tables 1A and 2A.

Churches

The community has fourteen church organizations, twelve church buildings and seven resident ministers. All of the seven ministers live in Libby; Troy has not had a resident minister for a number of years.

The total number of religious organizations, including the Sunday schools, women's societies and others, as well as the church organizations, probably exceeds 30. If these auxiliary religious organizations are counted, there would be a total of 60 to 70 organizations in the community.

Church members comprise probably less than one-fourth of the total population in the area. This is less than one-half of that for the country as a whole; over 50 percent of the population of the United States are church members.

Labor Unions

Three labor union locals (A. F. of L. affiliates) were active in the community in 1945 and these organizations had a total membership of 400 to 500. The employees of the Libby Mill were organized into two unions - loggers and sawmill workers. The other union was made up of the workers in the E. E. Drury and Sons logging operation.

Differences in Social Standing

To understand the social life of a community it is always important to be aware of the differences that might exist with respect to social standing or social class. This is especially true when one is organizing for community improvement. Definite differences in the population in terms of prestige or social standing are readily observable in the Libby-Troy area as they are in any American community this size. As is typical, however, of the younger community in the West, class differences in the Libby-Troy community are less pronounced than and less rigid than would be found in the South or the East. That is, it is relatively easier for persons by acquiring wealth, community influence, proper manners and friends to raise their standing than is true in the older sections of the country.

Changes in Forest and Community

The changes in the forest and forest economy and the changes in other aspects of the community are tied inextricably together.

The Community Has a Short History

The community has a history (since date of permanent settlement) of only a little over a half of a century. It is rare to find a person over 45 who was born in the area. The history of the community might be divided into three periods: (1) The period of early settlement which extended for 10 to 20 years after 1890. An important part of this early development was the construction of the Great Northern Railroad in the early nineties. (2) The period of rapid expansion covered 15 to 25 years and lasted until the mid-twenties. (3) Since the latter date the community has been passing through a period of decline and readjustment.

The first major industry was mining. This has been subjected to even greater fluctuations than the forest industry. The Sylvanite settlement (north of Troy) provides an example of this instability. In 1897 Sylvanite is reported to have had a population of 500 miners, a quartz mill, a sawmill, a post office and brewery and several hotels, restaurants, stores and saloons. A year later the place was a ghost town and in 1910 the great forest fire wiped out almost every vestige of the once thriving settlement.

Trends in the Forest Industry

The heaviest cutting of the forest came in the early twenties. At this time there were three relatively large sawmills in the community; one at Libby, one at Warland and one at Troy. But by 1930 only the Libby Mill remained in operation, and since that date almost all the timber sawed in the area has been sawed by this mill. Thus the period of rapid exploitation of the forest did not last long. Private timber was soon cut as three-fourths of the timberland was in the national forest. At the present time only 3 percent of the sawtimber in the Troy area (working circle) is privately owned.

The sustained yield movement arose in the late thirties in order to prevent ruthless exploitation of the remaining private timber and to insure the principal timber industry in the area a continuous timber supply. Under Forest Service leadership, planning was carried on to the end that the largest body of private timber (over one-half of all private timber) in the area, the ACM holdings in the southeastern part of the county, might be placed on a sustained yield basis and might be manufactured in the community. In 1942 the ACM timber was purchased by the Libby Mill. Since then plans have been made to combine much of the national forest and this largest private holding in one sustained yield management unit and to use a major part of the sawlog supply to sustain the Libby Mill.* This program represents planning for the conservation and wise use of the principal natural resource, the forest; such planning is absolutely essential to community stability.

One change in the forest industry which has made for a more stable family life has been the decline in the number of workers engaged in logging and the practice followed, especially by married men, of commuting to and from work each day whenever possible rather than staying in logging camps. This, needless to say, from the standpoint of community stabilization is a highly desirable trend.

Population and Related Changes

The major population trend in the community has been a steady growth of population in the Libby area with little growth, or a decline, in the remainder of the community. See table 3A. The community as a whole has shown an increase in population at each decennial census. The population increased $2\frac{1}{2}$ times from 1910 to 1920 - from 1,768 to 4,395. All sections of the community showed a gain in this decade. From 1920 to 1940 there was an increase of nearly 1,000 persons, but the gain was confined to the Libby school district; the remainder of the community was stationary in population. Two-thirds of the gain in the Libby district was in the open-country and one-third in the town itself. The open-country growth was the result of the marked increase in small farms and "suburban" homes in the vicinity of Libby.

The growth in the Libby district with a stationary or declining population elsewhere in the community means a trend toward concentration of population in Libby and vicinity. In 1910 the Libby district had less than one-half (47 percent) of the community population; in 1940 it had three-fifths of the people.

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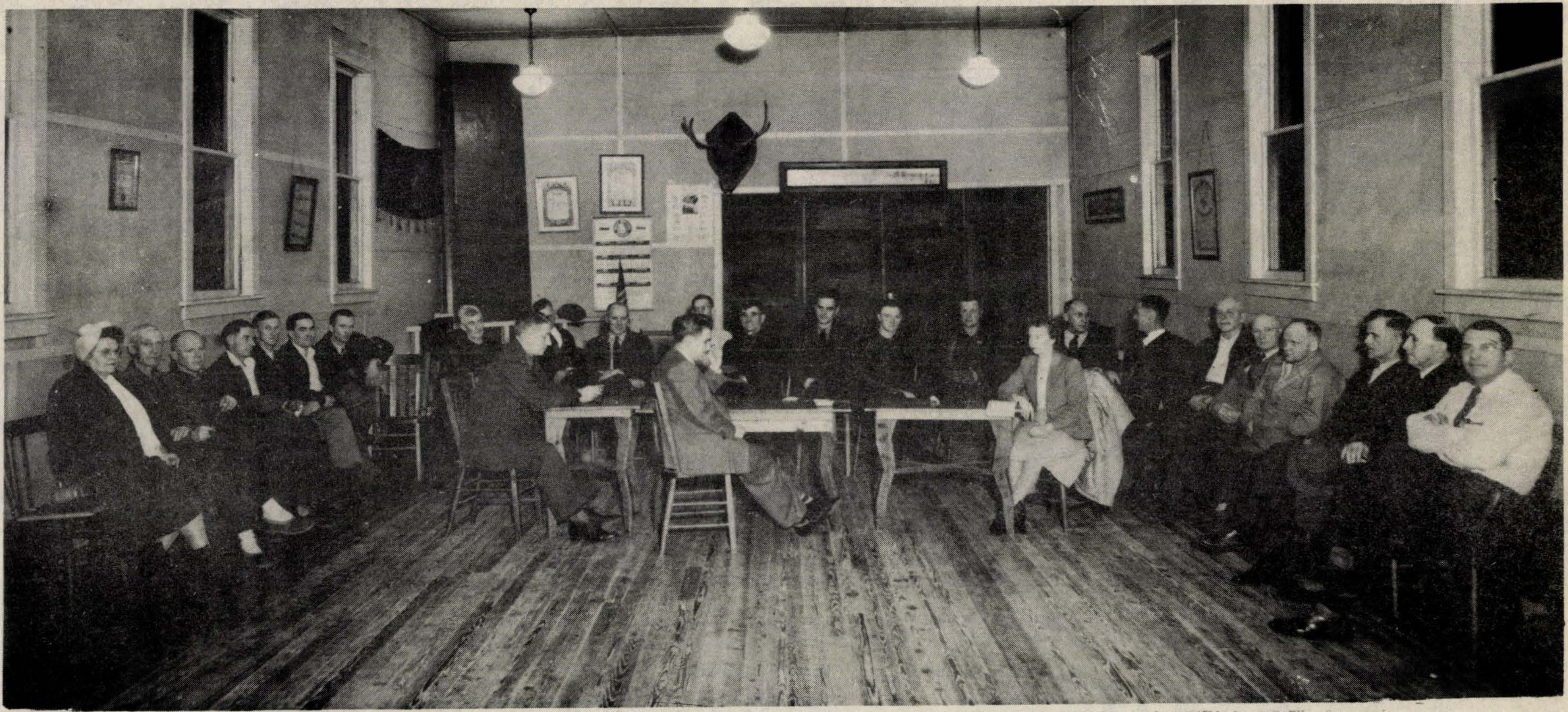
*For a detailed analysis of this program, see Part Two of the report.

Fluctuations in the timber and other industries are reflected immediately in population changes. The Warland area, for example, had in 1920 a population of 430. At that time an active sawmill was located there employing over 100 men. The sawmill closed in the mid-twenties and by 1930 the population had declined to 240, and by 1940 to 153.

Troy too, has known population and institutional instability as a result of marked fluctuations in industrial activity. The Troy area reached its zenith in industrial activity in the late twenties when it was a division point on the railroad, had a medium-sized sawmill and had some mining. By the thirties these sources of employment had either decidedly declined or disappeared entirely. As a result of this industrial decline the Troy population in 1930 was one-third less than in 1920. Troy grew in numbers during the thirties but has suffered definite losses during the war period. In the last 3 or 4 years the town has lost 14 businesses and services.

Libby and vicinity, the only area with an increasing population in the last two decades, has had the largest and most stable industry in the community - the Libby Mill. Also, during recent years the vermiculite mining operation near Libby has provided steady employment for 50 or more persons.



TROY DEVELOPMENT ASSOCIATION AND THE MONTANA STUDY GROUP

Left to right around room: Mrs. Andresen, housewife; Harry Ford, water commissioner for Troy; A. Webb, laborer; V. R. Welch, mail carrier; Glenn Waychoff, berry farmer; Ed Gilchrist, pole man; A. H. Shelden, farmer (Libby); Rufus Cripe, laborer; Allen Goodgame, laborer; C. B. Hand, U.S.F.S. district ranger; Ben Brown, novelty shop owner; Cole McDougal, gyppo logger; Howard Ahlskog, U.S.F.S. timber management assistant (Libby); Warren Wallace, grocer; Archie Pattie, gyppo logger; Ed Weidner, merchant; William Cusner, electric repairer; Henry Cole, wood cutter; Harry Anderson, store clerk; Gene Pattie, gyppo logger; Senator D. F. Fewkes, merchant; A. R. McNeil, cedar operator; Frank Frye, barber.
At table: K. A. Klehm, U.S.F.S. forest supervisor (Libby); Ford Cripe, office manager, E. E. Drury & Sons (loggers) chairman of Troy Development Association; Miss Wanda Norwood, commercial teacher, Troy High School.

III APPROACHES TO A STABLE ECONOMY

A basic approach to community stability is that of creating a prosperous economy. The foundation of an economy in a rural community such as the Libby-Troy area is the natural resources. Thus planning the wise use of these resources is as fundamental as the development of industries, trades and services. The greatest single source of employment at present is in the forest industries and here are the most likely possibilities of expansion. Yet other areas of possible employment need careful consideration so that the economy may be diversified as much as possible.*

In a discussion of problems involved in stabilizing the economy, limitations as well as possibilities are emphasized. A first objective in creating a stable economy should be to provide or make possible a high level of living. A level that is not only measured in terms of bathtubs and automobiles but also by the extent to which everyday living is enriched.

A number of possibilities for study and/or action are suggested below. Of course all of these cannot be followed out at once or by any one group. In a progressive community there is always widespread participation for community betterment and planning never ceases as new problems are constantly arising.

The Principle of Balance

The principle of balance provides one of the major emphases given here. Five specific applications of this principle may be noted: (1) A balance between types of enterprises. A weakness of the economy is that it is too dependent upon the forest industry. As much diversification as it is possible to achieve is desirable. (2) A balance between small and large enterprises. Is there, for example, a place for small, efficient and stable operators in the timber industry? (3) A balance between public (cooperative and governmental) and private enterprise. This type of balance has been referred to by economists as a "mixed economy." (4) A balance of power and influence among the various groups in the community. (5) A balance between population and resources.

Power Centers in the Economy

The two most powerful groups from an economic point of view are the Forest Service and the Libby Mill. The former because it controls 70 percent of the timber in the community and the latter because it provides two-fifths of the employment. The Great Northern Railroad is possibly the third most important agency in the economy as it pays one-half of the county taxes. The other principal economic groups in the community are organized labor, Libby business men, Troy business men, farmers, the small timber operators and the mining interests. It is desirable that a balance be kept among all of these groups and ways be established of reaching a consensus among them so that the best interests of the whole community are served.

It has been said that rural people - in this case the business man, the farmer and the timber worker - are not capable of taking the initiative in planning their own economic future, but instead must be dependent upon government, big business or city leadership. Such a position is of course not acceptable here as is made clear throughout this report.

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*The following studies discuss the economic problems of Lincoln County and/or adjacent area: Hutchison, op. cit.; Renne and Helburn, op. cit.; Geo. W. Sundborg, "The Economic Base for Power Markets in Flathead County, Montana," Bonneville Power Administration.

Population and Resources

If the highest standard of living is to be realized a proper balance must be maintained between the population on the one hand and the natural resources and employment opportunities on the other. In other words, if a relatively high living standard is to be maintained, how many people can the Libby-Troy area support? The community had a prewar population of approximately 5,400. Will it not be necessary for new employment opportunities to be made available before any appreciable increase in population is desirable? Or is the population already too large, especially in view of the fact of the large amount of subsistence farming and the relatively high birth rate? Questions of this nature must be considered in planning a stable economy.

Natural Resources

An evaluation of the natural resources and location of an area is essential as these set limits on industrial expansion as well as provide opportunities for it. Some pertinent facts on the natural resources are:

1. The forest is by far the most valuable resource and extensive plans are now being made with respect to its wise management.

2. Although at least 12 minerals are found in the area, with the exception of vermiculite, the ore bodies are thin and the cost of production relatively high. Other leading minerals are gold, silver, lead and zinc.

3. The game and fish resource is extensive and its wise management for the benefit of local people as well as for an expanding tourist trade is essential.

4. The soil and climate set definite limits on agriculture. The area has predominately forest soils. At Libby the average growing season is only 96 days and the rainfall 16 inches per year; some parts of the community may expect frost any month in the year.

5. The area has extensive unused water resources.

6. Two other resources of the forest which might be further exploited in providing employment are huckleberries, and fur-bearing animals.

In order to make possible the best use of the land and other natural resources, extensive study and planning are needed. Eight areas in which planning should be done (if it has not been) may be noted. These are: (1) the forest, (2) agriculture, (3) grazing, (4) minerals, (5) water resources, (6) transportation - roads, (7) recreation, and (8) fish and game.*

The Forest Industry**

In the improvement and expansion of the timber industry lay the greatest possibilities for stabilizing the economy. It is highly desirable that there be as much timber remanufacturing in the community as possible within the limits set by timber supply, production costs and markets. New timber operations which have been suggested as most feasible are (1) plywood production and (2) increased production of poles (and their treatment in the area) so as to meet the greatly increased demand.

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* These are taken from a study outline suggested by Professor A. B. Bowman.

**Although the forest industry and its problems are treated extensively in Part Two, a brief statement is made here in order to present in this section an over-all picture of the economy.

Suggestions involving study and action with respect to the forest and forest industries are as follows:

1. A study should be made to determine the industrial pattern or patterns (type of production, size and number of operators, etc.) most likely to survive in the area and to provide the maximum employment. Such a study is chiefly the responsibility of the Forest Service. Once the findings of this study are available steps should be taken to stabilize the existing industries and operators which make a definite contribution to community stability and to establish new industries and operators (if any are recommended) which would serve this end.

2. Continued attention should be paid to the question concerning the best disposal of national forest timber. This involves (1) a decision on the proposed cooperative agreement between the Forest Service and the Libby Mill and (2) a determination of how, and to whom the remaining products from the national forest should be sold.

3. Efforts should be made to improve forestry practices on all timber lands not now managed on a sustained yield basis. This land is owned by the county, State and individuals and includes approximately one-seventh of the forest land in the area.

4. In order to insure greater community participation in the determination of forest policy a public forestry committee, representing all major groups in the community interested in the forest, should be formed. The Forest Service would probably take the lead in forming such a committee. The three preceding problems or projects would concern this committee as well as a number of other very significant questions described in Section II.

5. Attempts should be made to lengthen the period of employment of local people working part-time for the Forest Service. Also attention should be given to a better integration of Forest Service employment, farming and/or types of work pursued by these persons.

Agriculture

Agriculture in the area is characterized by either part-time or subsistence farming. Farming is confined to the narrow valleys and is limited by the soil, short growing season and lack of rainfall. There are approximately 275 farms in the community, but only one operator in every seven (an estimate) makes the majority or all of his income from farming. Only about one-tenth of the average farm is plowable. Of the nonforest land in farms, probably 80 to 90 percent is either in hay or pasture and most of the remainder is in small grains. The chief source of cash income is the sale of beef cattle.

In improving the agricultural situation major emphasis should be placed on gaining more efficient production, enlargement and better balance on some farming units, and a better integration with outside employment on others. The desirable course of action is to improve the conditions of those now in agriculture rather than any attempt at increasing the number of persons dependent on agriculture for a major portion of their income. Probably the great majority of the farms in the area will always be part-time but subsistence farming should be eliminated. The present trend toward the "rural home" and the part-time farm as seen around Libby is desirable if, as is discussed below, there is the proper organization of agriculture with other pursuits.

Some of the most pertinent agricultural problems in the area may be noted: (1) The profitable production of sufficient dairy and poultry products to supply the local market. (2) The exploration of the possibility of growing potatoes and small fruits commercially. (3) Getting more profitable use of the forest range, which now is used almost to the maximum, by replacing horses with cattle. (4) Exploring the possibility of irrigating small acreages on each farm. (5) Enlarging some operating units through clearing new land and/or profitable use of the forest portion of certain farms in Christmas tree production.

A major problem in improving the agricultural conditions in the area is securing leadership in formulating policy and planning the program, and assistance on the technical problems. In other words, who is to take the lead and who is to provide the technical advice? Any agricultural improvement program would of necessity need the strong support of the farm organizations, the Granges and the Farm Women's Club. A first step in meeting the agricultural problem might be a reconnaissance study which included classification of land and the determination of major production possibilities and limitations. Groups which might have a part in such a survey are the farm organizations in the area, the State Agricultural College, the Forest Service and the county government.

Once the basic facts concerning the agricultural situation are available, then arise the problems of setting up a long-time educational program and of giving technical assistance to farm people who desire it. The possibility of setting up a soil conservation district in the area on which a full-time agricultural expert is employed might well be explored. There is a Soil Conservation Service district established in the Eureka community. Other possibilities for acquiring technical assistance are (1) a home agent (discussed below) who might advise on certain types of agricultural production and (2) bringing in of experts from the outside at given times. This latter procedure would require that a local organization or committee be responsible for securing this outside assistance.

Tourist Trade

Nature has certainly played its part toward making Lincoln County an ideal vacation land.* The area has great natural beauties and wildlife abounds in its forests, streams, lakes and mountains. Consequently, if the local people will do their part it is quite likely that the income of the community may be definitely enhanced by a growing tourist trade. As one qualified observer has stated, "Intelligent planning is needed to prevent under-investment in good recreational facilities and over-investment in poor ones."

At least the following five factors must be considered in wise recreational planning:

1. Provision of well-located, attractive and adequate tourist facilities. This might also mean the building of one or more dude ranches.

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*See Hutchison, op. cit.

2. Preservation of scenic beauties through such means as highway forest strips (this has been done along U.S. 2), and discouragement of shacks, billboards and automobile graveyards along the highway approaches to the towns.

3. Construction and maintenance of an adequate system of roads. The early completion of U. S. Highway 2 west of Troy (which has been assured) is a first and important step toward reaching this goal.

4. Proper management of the game and fish resource.

5. Advertising the recreational values of the area chiefly through State and regional channels.

As in the case of agricultural planning, the same question must be raised here: Who will assume the leadership in promoting a recreational plan for the community? This leadership might be centered in the chamber of commerce, or perhaps better, a joint committee representing both the Libby Chamber of Commerce and the Troy Development Association. These two groups, however, could not carry out an adequate recreational plan alone; many groups in the community would have important roles to play. These would include the Forest Service, persons providing accommodations for tourists, owners of land along the highways, groups interested in town and countryside beautification, and groups interested in game and fish management.

Water Resources and Electrical Power

The water resources of the area are relatively undeveloped in terms of electrical power production and use in irrigation. Lincoln County is in the Columbia River Basin and in regional planning is considered to be in the Pacific Northwest. Four Federal agencies in carrying on their work in this region have made surveys and/or have plans for the water resources in Lincoln County. In addition, the State Water Conservation Department has done some reconnaissance work in the county. The four Federal agencies concerned are the Army Engineers in the War Department, and the Bureau of Reclamation, the Geological Survey and the Bonneville Power Administration in the Department of Interior.

The Status of the Surveys

The recommendations of the Geological Survey have been made public and have created considerable discussion in the community.* According to the Geological Survey report a dam could be constructed near Troy which would result in flooding the whole Kootenai Valley well beyond the Canadian border and covering the Libby and Troy townsites.

The Army Engineers have been conducting studies of the Columbia River Basin for the last 2 years and it may be 2 or 3 years before the findings of this work are released. During 1945 investigations were in progress west of Troy and north of Libby.**

The Bureau of Reclamation has prepared a report on the Columbia River Basin including a description of resources and possibilities for industrial development. A later and more extensive report on this region is planned. This Bureau, however, "has no plans at present for the development of water resources in the Kootenai River Valley and does not contemplate the initiation of investigations looking to that end."*

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* See "The Western News," February 14, 1946.

**From correspondence with Army Engineers' office, Seattle, Washington.

The Bonneville Power Administration has the responsibility for the sale and distribution of electrical power produced on the Federal projects. This agency has tentatively considered the possibility of building a transmission line from the Hungry Horse project (when completed) to the Kootenai Valley. That is, if the economic potentialities of this area warrant it.**

The Community Should Be Alert

The above-named projects are merely plans and no action could be taken to carry them out unless there were specific authorizations by Congress. Nevertheless, the community should keep aware of the planning that is being done and public discussion on the merits and demerits of the various proposals should be encouraged. This the local newspaper is attempting to do, but it would perhaps be desirable if one or more of the organizations in the community interested in public affairs would also take on this task.[x] If this is done the community will be able to take an intelligent stand if and when specific action is considered on the development of the water resources.

Providing Electrical and Water Facilities

Cheap electrical power is necessary for industrial development and for wide use in homes and on farms. The development of the hydroelectric plant on Lake Creek near Troy has been a desirable step from the standpoint of more economical production of power.

There has been discussion of the desirability of public ownership of water and light facilities in Libby and of light facilities in Troy. Troy has had a satisfactory experience in the ownership and operation of its water systems. Plans are being made in the Eureka area for an REA cooperative in that community.

Probably little good would come from a discussion in the abstract of public versus private ownership of public utilities. It would, however, be to the public interest in Libby and Troy to consider ways in which a plentiful supply of cheap electrical power may be secured. Experiences of communities in Washington and Oregon now served by the Bonneville Power Administration are relevant. These communities show decided reduction in rates since receiving Bonneville power, and now have rates considerably below those prevailing in the Libby-Troy area.[xx]

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* Correspondence with Bureau of Reclamation, Region One.

**Correspondence with Bonneville Power Administration.

[x] Since the study was made it is understood the Libby Commercial Club has undertaken the job.

[xx] Figures furnished by the Bonneville Power Administration. Rates in Libby are from 1-2/5 to 2-1/2 times as high as in four of the low-rate communities furnished by Bonneville (Forest Grove, Canby and Monmouth, Oregon, and Ellensburg, Washington). Rates depend, of course, on the amount of current used and whether bills are residential or commercial. Greatest differences between Libby and these communities are on commercial rates.

Other Considerations

A discussion of employment and industrial plans for the local community might well be carried on in light of several more general considerations.

1. In some areas of planning such as the tourist trade and, as is discussed above, water resources, the local program if it is to be most effective must of necessity be a part of a regional scheme.

2. It appears desirable that manufacturing and processing plants of agricultural and forest products be located increasingly in the areas in which these materials are produced. Such a trend benefits the West - for example, to have pulp mills which process western Montana timber located here rather than in Wisconsin.

3. The assumption is made here that it is highly desirable to add economic strength to the rural community through industrialization rather than be promoting further concentration of factories in the city.

4. There are growing efforts at the present time at both state and Federal levels to increase industrialization in rural areas. A recent Federal proposal is:

    a. To make surveys to discover industries most likely to survive in given rural areas.

    b. To set up a committee to recommend legislation that would stimulate industrial growth.

    c. To seek to remove handicaps by providing adequate research information and credit to businessmen and by providing adequate power and transportation facilities at low rates.*

Survey of Occupations and Employment Possibilities

It is characteristic of new communities, and especially of communities in the West (as contrasted to the eastern United States), to be relatively undeveloped with respect to certain trades and personal services. Thus, the question might well be raised concerning the Libby-Troy area as to what necessary services, if any, are omitted or undersupplied.** Also, what services are adequate or oversupplied.

Civic organizations in the community - Libby Chamber of Commerce, Troy Development Association, Lions Club, Women's Clubs - might work with the schools in conducting an occupational and employment survey in the community. Such a survey could provide information for planning the vocational program in the schools[x] as well as pointing out additional employment possibilities.

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* An AP dispatch from Washington, D. C., September 11, 1945, appearing in the "Great Falls Tribune."

**The booklet by A. E. Morgan, "Small Community Economics," (Fellowship Press) is very suggestive on this point.

[x] This was suggested by school leaders in the community. A useful pamphlet to use in planning an occupational survey is "Community Occupational Surveys," U. S. Office of Education, Vocational Division, Bul. No. 223.

Development of Cooperatives

Cooperatives, both consumer and producer, have long formed an important part of the economy of many rural communities. This type of organization for the most part emphasizes democratic procedures and promotes widespread participation in economic affairs. In northeast Lincoln County several cooperatives are either organized or their formation is being seriously considered.

In the Libby-Troy community, farm and labor groups especially, might definitely benefit from the formation of a cooperative organization to supply one or more types of services - e.g., groceries, general merchandise, petroleum products, farm supplies, credit, etc. Two important factors in the success of a cooperative must be taken into account. These are (1) efficient local management and (2) purchases through cooperative wholesale organizations. The latter is so essential because retail margins are relatively small; cooperatives make the savings for consumers chiefly through activities in the wholesale field.

Mining and Railroad Prospectives

Prospects in two of the four leading basic industries - forestry and agriculture - have been discussed. What of the future in mining and railroading? Vermiculite mining might show a moderate increase in employment, but there is no evidence at present to expect other types of mining activity to be above the prewar level. Railroad employment might even decline, especially if Troy is no longer used as a freight division point.

Financing Public Services

Lincoln County has a unique situation in that the two largest taxpayers pay two-thirds of the taxes. The Great Northern Railroad pays approximately one-half of the taxes. By contrast, in the State as a whole public utilities account for only slightly over one-fourth of the taxes. Both the assessed and taxable valuation per capita are lower in Lincoln County than for the State as a whole. The assessed valuation per capita is $1,827 in Lincoln County and $2,050 in the State; the taxable valuation $617 in the county and $631 in the State.*

Lincoln County has never been in a bad shape financially. The county's debt on June 30, 1945, was approximately one-fourth of 1 percent of its assessed valuation.**

The chief point to be made here with respect to public finance concerns the reduction of the cost of public services (chiefly school and welfare expenditures) in isolated areas. Almost all students of land use problems have recommended for areas such as the Libby-Troy community some type of zoning to prevent indiscriminate settlement. Persons and families on the small, isolated, creek-bottom farms not only frequently need public assistance but the cost of administering this relief is greater than in the centers of population. School costs are also relatively high in these isolated areas (e.g., pay teachers $150 to $200 monthly and keep up a building for two to five students).

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* Valuations are for 1944; population for 1940.

**Data from the State Board of Equalization.

A desirable change took place in the valley during the war period in that families who had maintained full-time residence in the area moved out and their dwellings were purchased for summer homes or hunting lodges. A State zoning law is needed to regulate settlement in submarginal and isolated farming areas such as are found in the Libby-Troy community. But, even without such a law, county officials backed by public opinion can frown on settlement in isolated spots by refusing to sell county land for such a purpose and by other devices.

IV IMPROVEMENT AND ENRICHMENT OF COMMUNITY LIFE

Community stability has been described as a broad social objective. In order to reach this goal in any community a number of approaches must of necessity be followed. In the previous section wise management of the natural resources, and the more efficient organization and the expansion of industries, trades and services were considered. Providing an adequate source of livelihood is not, however, the only problem involved in making the forest community a desirable place in which to live. Equally important are developing the appreciative aspects of life and the meeting of problems of a welfare and an organizational nature. Needless to say, an adequate treatment of these latter subjects would in themselves involve one or more lengthy reports. Thus, all that is attempted here is a brief treatment of the problems and approaches which appear most significant with respect to the Libby-Troy community.

Why Community Enrichment?

A major implication of the phrase, community enrichment, is that "living" as well as "making a living" should receive due consideration. But what is meant by living the good life and what advantages, if any, does the rural community offer in this respect? A characteristic of the good life is that experiences in the community and of the forest are not only regarded as means but as ends in themselves - they are appreciated and enjoyed for their intrinsic worth. Also, the good life has a depth and variety of experience. An indication that this latter condition is lacking, at least for many people, is the frequently heard expression, "There is nothing to do in this town but to go to the show." The traditional forest community has been noted for its drabness - the lack of depth and variety of social experience.

At this point the city appears much more attractive to many youth than the rural community. The city has the leaders and facilities in sports, in the fine arts and in other amusements. But the position is taken here that the good life is not so much to be attained by playing the role of the passive spectator as by the active participation of the whole person in the life of the community.* Because of the relative simplicity and lack of contradictory patterns, it is easier for an individual to participate as a "whole person" in the small (rural) community than in the city. This is a decided advantage of the former type of community. The rural community, however, is sadly lacking in opportunities and activities which give life depth and variety. Consequently, community enrichment is proposed as a major objective, and this section of the report is devoted to ways and means of reaching this goal.

Needs and Resources

A first step toward community improvement and enrichment is to discover needs and to define goals, and to take stock of the social resources in terms of leadership, organization and interests. The improvement of community life is a group process. That is, people work together in their organizations and in other activities toward ends they consider desirable. Organizations are regarded as resources or means by which desirable community objectives may be reached. Thus, in this report, when social and economic problems are discussed specific groups are designated which might take leadership in the analysis and solution of these problems.

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*For development of this and related emphases, see Baker Brownell, "The Value of the Humanities," reprint from the "Journal of Higher Education," November 1945.

An important question to ask is: What do people think of their community and what do they consider its major needs? Also, what projects and programs have been carried on in the community of which people may be justly proud and which point the way with respect to future action.

Indications of Interest in the Community

The responses on three attitude statements of over 400 persons, members of various groups, give some indication of satisfaction and identification with the community. One attitude question was: Would you rather live in this community than in any other which you know? Sixty-four percent of the persons reacting to this question answered it in the affirmative, 23 percent were undecided and 13 percent said "No." See table 4A. Troy persons reacted the same as those in Libby. Younger persons, however, appeared to be identified with the community much less than older individuals. As might be expected, the two civic organizations, the Libby Chamber of Commerce and the Troy Development Association, had the highest proportion of persons who favored their community over any other.

A question similar to the one above and to which there was a very similar reaction was: Would you like for your children to settle and raise their families in this community? A slightly lower proportion of persons answered this question in the affirmative than was true for the previous one - 54 percent as compared with 64 percent. See table 5A. Young people and women were more likely to be opposed to having their children settle in the community than were other persons. This probably indicates that these groups were more dissatisfied with the community as it is.

The dissatisfaction of youth is suggested by responses to another question: Is this community progressive? Forty-three percent of the persons answering the question agreed that the community was progressive, 41 percent were undecided and 16 percent disagreed. See table 6A. Over two-thirds of the business people in Libby (Chamber of Commerce, Lions' Club, Senior Women's Club) regarded the place as progressive as compared with only 13 percent of the high school seniors. None of the juniors and seniors in the Troy High School were sure that this area was progressive. Although the young people in any community are likely to be more critical of the status quo than their elders, these findings raise the pertinent questions as to the nature of youth's dissatisfaction. It is also suggested that serious consideration should be given to the vocational, recreational and educational needs of youth in the Libby-Troy community.

Approximately one-half of the persons in the Libby area answering the question thought the place was progressive; this compares with only 27 percent in Troy having such an opinion about their area. This is, however, a hopeful sign for Troy. That is, although Troy residents are quite critical of their area - and this is necessary before improvement can be made - they are rather closely identified with it (previous two statements).

Community Needs

The recognition of a need or a problem is the first step in its solution. Community members made a number of suggestions as to what they considered to be the chief needs and problems of the area. Those most frequently mentioned were as follows:

1. Promotion of the welfare of youth - in the home, school and in recreational programs.

2. Solving certain problems with respect to the forest and the forest industries.

3. Improvement of public facilities such as streets, sidewalks, and street lighting and the construction of sewers.

4. "Clean-up and paint-up" of the towns. The greater attractiveness of the neighboring county seat of Bonners Ferry, Idaho, was sometimes pointed out.

5. A building (in Libby) which would serve as a community center.

6. Awakening of citizens to the civic responsibility and the development of leadership.

7. Improvement of health and medical care.

With respect to the last-named problem a most progressive step is being taken with the construction of a modern hospital in Libby. Much needs to be done, however, in providing more adequate medical care for the great majority of the population. This is not only a community problem but a State and national one as well. During 1945 the community had but one physician whereas according to present medical standards three to four physicians would be the minimum for an area with this population.

Significant Programs and Projects

There are a number of programs, projects and organized activities which have been, or are now being carried on in the community which are making a real contribution to community stability and enrichment. These activities deserve special attention and the community should take pride in them, as they should serve as models and point the way for further action.

It may be well to mention some of the most significant activities and conditions which appear to the writers to be creating a more stable and enriched community life. These include.

1. The famous discussion group, the Wranglers Club.

2. The organization in the late summer of 1945 of the Troy Development Association and the aggressive promotion by this group of a program of community improvement.

3. The Lincoln County Free Library - its excellent plant, personnel and service.

4. The construction in Libby in recent years of a courthouse, city hall, swimming pool and railroad station. All of these required strong civic support.

5. A number of civic projects sponsored by the Women's Club, Lions' Club and the Chamber of Commerce.

6. The number of well-kept homes, lawns and flower gardens.

7. The emphasis on home and family living given by such organizations as the Farm Women's Club and the Garden Club.

8. Cooperation of churches in weekday religious education and the joint effort of three churches in putting on a (1945) Christmas program.

The Problem of Leadership

A perennial need in the rural community is that of leadership. "Yes," people will say, "many worth-while projects should be undertaken if our community is to be improved, but who will take the lead and who will supply the know-how?" Trained and experienced leadership is just as much needed for success in social organization and social service as it is in business and industry. Urban centers generally have an advantage over rural areas in that they are more likely to have civic and community-minded leadership, both lay and professional. Desirable qualities of the rural leader are not only that he be skilled in organizational techniques* and abilities to influence people, but also that he possess a basic rural philosophy and have an affection for rural life.

Paternalism Versus Democratic Controls

An undesirable trend from the standpoint of democratic organization is that rural people are looking increasingly to the Federal and state governments, to big business and to urban centers for answers to their problems rather than organizing and working out in some measure their own solutions. This is a special danger in the Libby-Troy community because of the concentration of economic power. The Forest Service and the Libby Mill have such power and are able to procure personnel who are not only specialists in their fields but who also play important civic roles. It is most desirable that these two important agencies have leadership who take an active part in community affairs, but there is a real need that more and stronger leaders be produced by, and represent, the other major groups in the area.

Future Leadership

To create a stable and enriched community life in the complex and rapidly changing society of today demands leaders with experience and training and also the time for the necessary work. The development of lay leadership - in this community in the person of the businessman and his wife, the timber worker, the farmer - is extremely important. It falls, however, to the professional leader** to develop lay leadership and to provide information and vision which is necessary for the success of a program. Where, it is pertinent to ask, in a forest community such as the Libby-Troy area, is such civic leadership to be found? Four key types of professional leaders are suggested. These are:

1. The public school teacher, a "citizen" and with tenure.[x]

2. The minister with the community approach.

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* Some useful publications in community organization and planning are: (1) "Your Community" by J. C. Colcord, Russell Sage Foundation, 1939; (2) "Small Town Manual for Community Action," U. S. Dept. of Commerce, 1942; (3) "A Community Organization Program for Small Communities," by D. R. Davis, Hogg Foundation; (4) "Rural Community Organization," D. Sanderson and R. Polson, John Wiley and Sons, 1939.

**The professional leader is regarded as one who is paid and has special training for carrying on a given activity.

[x] See Krug, E. A., "The Public School and Community Improvement," a mimeographed Montana Study report.

3. The forester with training in public service.

4. The home agent (Agricultural Extension Service, and/or Smith-Hughes teacher) who conceives of the family as the basic unit in the forest community.

The problem of training and recruiting such leadership is of course one which must be faced on a State and national, as well as a community, basis.

Of the four types of leaders suggested above organizational support exists for all of them except the latter. The community has public school teachers, foresters and ministers but lacks professional leadership concerned exclusively with the field of home improvement and family life. This is a serious need - that is, the employment of a county home agent and/or a teacher in the public schools who has considerable time for community work.

The small community if it is to be stabilized and improved cannot be sufficient unto itself. There is a need for pertinent knowledge and experience of other areas and for the best that the institutions of higher learning have to offer. A project which should make a definite contribution in this direction has been proposed by The Montana Study and designated as the "Community College." It would consist of a team of faculty people who would work for 1 or 2 months in winter in town and country communities, giving a coordinated course in skills and materials with emphasis on community leadership, family life, the participative arts, etc.*

The Agricultural Extension Service has, of course, for over three decades made available to farm people scientific information on agriculture and in home economics. There are, however, no extension personnel resident in Lincoln County.

Providing for the Needs of Youth

A community if it is to progress and to maintain some measure of stability must hold a portion of its able youth and young adults. In order to do this the community must have reasonable employment opportunities and provide the possibilities for gaining satisfaction in family living, in education, recreation and other activities which make for an enriched life.

Employment Opportunities

Employment possibilities should be measured not only by the number but also by the variety of opportunities. The greater the diversity of industries, trades and services in the community, the greater the possibilities of occupational selection and the more likelihood the varied interests and needs of youth in the area will be met. In this respect the Libby-Troy community is at a disadvantage because it is to a large extent a one-industry area. A frequent comment of Libby youth was, "There is nothing to do here but work in the mill." Thus, another reason for greater diversification in the economy, if possible, diversification both as to type and management of enterprise.

Youth Who Migrate

Yes, youth must migrate if there are not a sufficient number and/or variety of employment opportunities in the area. The relatively high birth rate (shown by the fertility ratio) in the area may mean that more young people are produced than are needed to replace the present population. Consequently, if there is not a commensurate expansion in the number of jobs, it is highly desirable that some youth migrate. Also, the young people who do not find occupational outlets to suit their interests and abilities must also leave.

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*See "Progress Report of The Montana Study, September 1, 1944, to August 31, 1945," pp. 17-19.

The question might well be asked if the community does not have responsibility for vocational guidance and training of those youth who migrate from the area (as well as for those who stay). For rural youth who go to the city without some skill in urban vocations frequently find themselves at the bottom of the occupational ladder.

Community Roles of the School

From the standpoint of this report, two functions of the school which deserve special emphasis are (1) the orientation of youth as citizens of the community and of the greater society and (2) their vocational orientation. It is heartening to note that school leaders in the community are most sympathetic to these approaches and that they hope the school will become increasingly a community-centered institution. With respect to this latter point, the proposal to build a combined auditorium and gymnasium for both school and community purposes is most laudable.

Recreational Activities

The provision of wholesome recreational outlets is an ever-present problem for young people and for others interested in their welfare. As is the case in most communities adequate recreation should be a major consideration in planning for youth in the Libby-Troy area. Suffice it to say here, recreation should be seen as a most important aspect of the educational process. Emphasis should be placed on active participation rather than on playing the role of the passive spectator only (e.g., the movie goer); also attention should be focused on a wide variety of creative activities rather than on mere amusement according to the traditional and somewhat restricted pattern (e.g., ballroom or rather tavern dancing, which incidentally compares unfavorably as a socializing influence with many other activities). Finally, wholesome recreational outlet for youth is a responsibility of the whole community - the school, the church and other agencies - working with the family.

Creating a Stable Forest Culture

As stated above, no blueprints can be given for reaching the long-time, overall social objective - the creation of a stable forest community and culture. Such a goal has implications for the total community in all its aspects - both social and physical. Nevertheless, certain major and necessary approaches relevant for the Libby-Troy area should be suggested. In preceding sections the land use and industrial aspects of community stability have been discussed, and the problems of leadership and providing for the needs of youth have been considered. Below, five additional approaches toward creating a stable forest culture are briefly described. These are:

1. Organizing the greater community.
2. Strengthening the rural home.
3. Making religion a part of life and the church more community-centered.
4. Promoting public participation in the determination of forest policy.
5. Creating a forest-centered tradition.

The Greater Libby-Troy Community

Throughout this report the assumption is made that the Libby and the Troy areas should be considered as one community. This may be as much a hope as a reality but, if the objectives described above are to be reached, loyalty to a larger group than a given organization or neighborhood is necessary. For the most effective planning of the use of the natural resources, industrial development and social agencies Libby and Troy must be regarded as one larger community. To facilitate this needed unity an integrating agency such as a community council might prove useful. Such a council would be made up of representatives from the major groups in each place, and would attempt to see that there was united action on common problems. The council would not be another special-interest organization but rather an agency to coordinate the common efforts of all groups in the greater Libby-Troy community.

The Rural Home

In order to provide greater opportunity for the family to work together as a unit, the group may be made, at least to a limited extent, a productive as well as a consuming unit. An increased number of families in the area might well give some attention to the productive side if it were no more than growing flowers. More of them might grow a garden and have poultry and probably a dairy cow.

These patterns, of course, are being followed but the question is raised as to the desirability of their being more extensive. The above-named agricultural activities can "give roots" to the home and the family, and consequent strength, that the highly urbanized family lacks. As described above there is a decided trend toward the "rural home" in the Libby area. With wise planning this population can create comfortable and attractive rural homes rather than "country slums." The Parmenter Valley neighborhood near Libby is an example of what can be done in building an attractive countryside and comfortable rural homes.

Leadership to assist in the "building of more and better rural homes" might rest with those responsible for agricultural planning and those concerned with home-making and family life.

Religion a Part of Life

A religion which seeks to extol and to preserve the highest social values certainly can be a vital factor in community stability. From this point of view probably the greatest weakness of the church has been that it is divided; it is denominationally centered rather than community-centered. Beginning, but most heartening, steps toward church cooperation in the Libby-Troy community were noted above.

A really vital religion that was a part of life, rather than apart from it, could make a great contribution toward stabilizing the forest culture. Two important religious emphases with respect to this end are (1) the stewardship of the forests and the other natural resources and (2) the equitable distribution of the rewards from the forest.*

Public Participation in Forest Policy

The community lives largely from the forest. Thus if democratic procedures are to be applied in any area of community life, this is a most relevant one.

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*There is a growing rural church movement in America which has as its central emphasis the community-centered church. Perhaps the most representative publication of this movement is "The Town and Country Church" (297 4th Ave., New York City).

The desirability of public participation in determining forest policy is discussed at some length in Section VII.

Creating a Forest-Centered Tradition

A meaningful tradition is always an important part of the life of a stable community. A tradition is needed in the Libby-Troy area which magnifies the significance of the forest and portrays the relationship of forest and people. Dramatic means of creating and conserving tradition are songs, pageants, plays, festivals, "special celebrations," rituals and memorials. An effective type of conservation education would probably be carried on through one or more of these media. For example, the "show-me trip" procedure of the Forest Service might be combined with a forest festival. There are apple festivals, strawberry festivals, etc., why not a forest festival?

Projects by the County Library and other groups to record the history of the area, and the educational activities of the Forest Service might well be oriented toward this rather comprehensive objective - the creation of a forest-centered tradition.*

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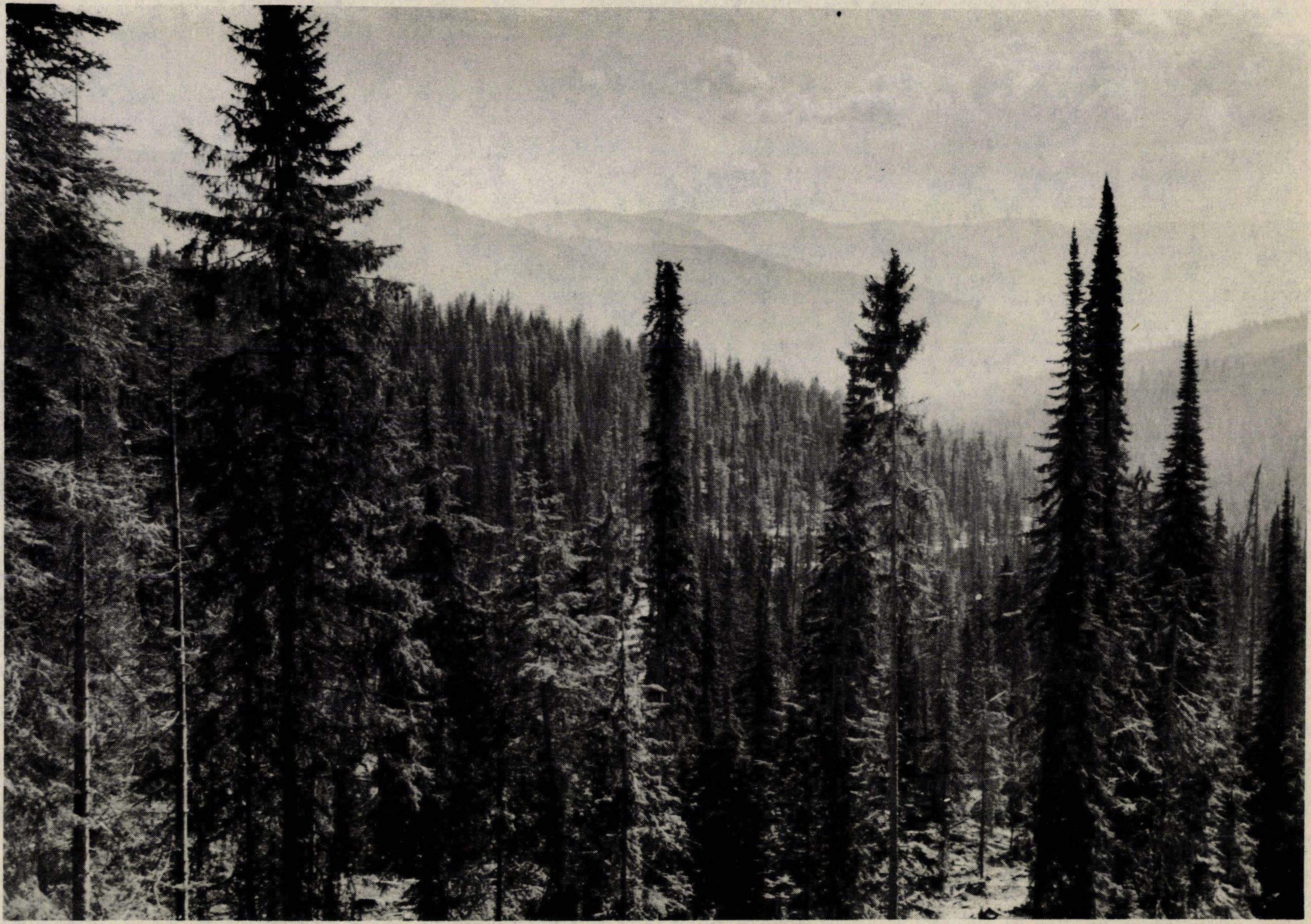
*Projects for creating meaningful tradition have been initiated by The Montana Study; see Progress Report, op. cit., p. 13.



Looking down Bristow Creek across national forest land logged by J. Neils Company, Libby, Montana - K. D. Swan photo.

Part Two

SOCIAL IMPLICATIONS OF FOREST MANAGEMENT AND UTILIZATION POLICIES

Can the public, labor, industry and Government plan together for the common welfare? This question which at the present time is foremost on the national scene is of central concern in the Libby-Troy community. Instead of the rapid liquidation of the forest resource which has been the history of most forest communities it is proposed that the forest in this area be cut in its relation to its ability to grow so that the industry dependent upon this resource may be stabilized. This type of program demands considerable planning. Although questions of technical forestry remain to be answered, attention in Part Two of this report is focused on the social implications of forest policy - on an analysis of public opinion and on problems of social control and organization.

The dominant feature of forest policy at present is the proposal to combine the national forest, with 70 percent of the total volume of timber, and the holdings of the Libby Mill, with 18 percent of the total, into one management unit. These lands would be placed on a sustained yield basis, and the saw timber used to maintain the Libby Mill at a given level of operation (with relatively little sawlog volume left for other operators). This program has been in the making during the last several years, and it is proposed to give it legal status by cooperative agreement between the Forest Service and the Libby Mill authorized under Public Law 273. At the present time the Libby Mill cuts almost all of the sawlog timber taken from the national forest in this area.

As a frame of reference for evaluating the forest program* certain objectives of policy are suggested. Community stability, a major aim of forest management under Public Law 273, is taken as the desirable long-time goal. Three approaches or component objectives of the broad goal are proposed - the forest, the industrial and the social. In Section VII the present program is discussed from the standpoint of these objectives.

First, however, as background for understanding certain problems and issues, the conditions and trends in the forest economy are presented in Section V. In Section VI community reaction to present forest policy is described and the chief merits and limitations of the program are given. In sampling public opinion, some expression on forest policy was obtained from at least one-sixth of the adult population in the area.

V CONDITIONS AND TRENDS IN THE FOREST ECONOMY

Certain characteristics of the forest economy should be noted as necessary background for the consideration of forest utilization policies. Although a considerable timber drain has resulted from destructive logging and fires a relatively large body of commercial timber still remains. At the present time in the Libby-Troy area one operator, the Libby Mill**, carries on most of the logging and timber manufacturing. As a large proportion of the private timber has been cut, a major issue in the community is who will be allowed to utilize the timber on the national forest.

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* By forest program is meant the totality of the forest management and utilization activities carried on in the area.

**The Libby Mill is owned and operated at the present time by the J. Neils Lumber Company.

The Forest Resource

Lincoln County is the first county in the State of Montana in terms of volume of timber. It is estimated that the county has between 7,000 MM and 9,000 MM feet* of saw timber. This represents between one-eighth and one-sixth of all the timber in the State. Reasons why Lincoln County has the largest acreage of commercial timber left in the State are given in Appendix D.

Size and Composition of the Forest

Ninety-seven percent of the more than two and one-fourth million acres of land area in Lincoln County is in forest. The Libby-Troy area comprising the southern portion of the county has an even higher proportion of timber land. In this area probably no more than 1 acre in every 100 is in farm land or town site.

Four acres of timber out of each five in the county are classified as commercial. About two-fifths of the commercial forest is in saw timber stands; the remainder is composed of poles, saplings and seedlings.** The saw timber is composed of ten species; the most common of which are larch, Douglas-fir, spruce, ponderosa pine and white pine. The most valuable species commercially are the white pine and ponderosa pine but these comprise only one-fourth of the commercial timber stand. The other three above-mentioned species make up two-thirds of the volume of the commercial timber.

The Libby-Troy area or working circles,[x] comprise over one and one-half million acres of forest. See the map on the next page. This forest represents approximately 5,500 MM feet of timber. The composition of this timber is similar to that of the county as a whole.

In addition to the sawlogs a considerable volume of minor products is also produced from the forest in Lincoln County. These consist chiefly of poles, posts, piling, ties, pulpwood and Christmas trees. The production of these minor products may be greatly expanded as they come chiefly from the less valuable species such as lodgepole pine, cedar, spruce and fir.

Ownership of Forest Land

In the Libby-Troy area, as in the county as a whole, three-fourths of the timber land is in the national forest, one-fifth is in private ownership and the remainder is owned by the county, the State, or is in the public domain. The national forest has a larger proportion of rough, mountainous area and noncommercial timber land than have the private holdings. Seventy percent of the volume of the saw timber of the Libby-Troy area is in the national

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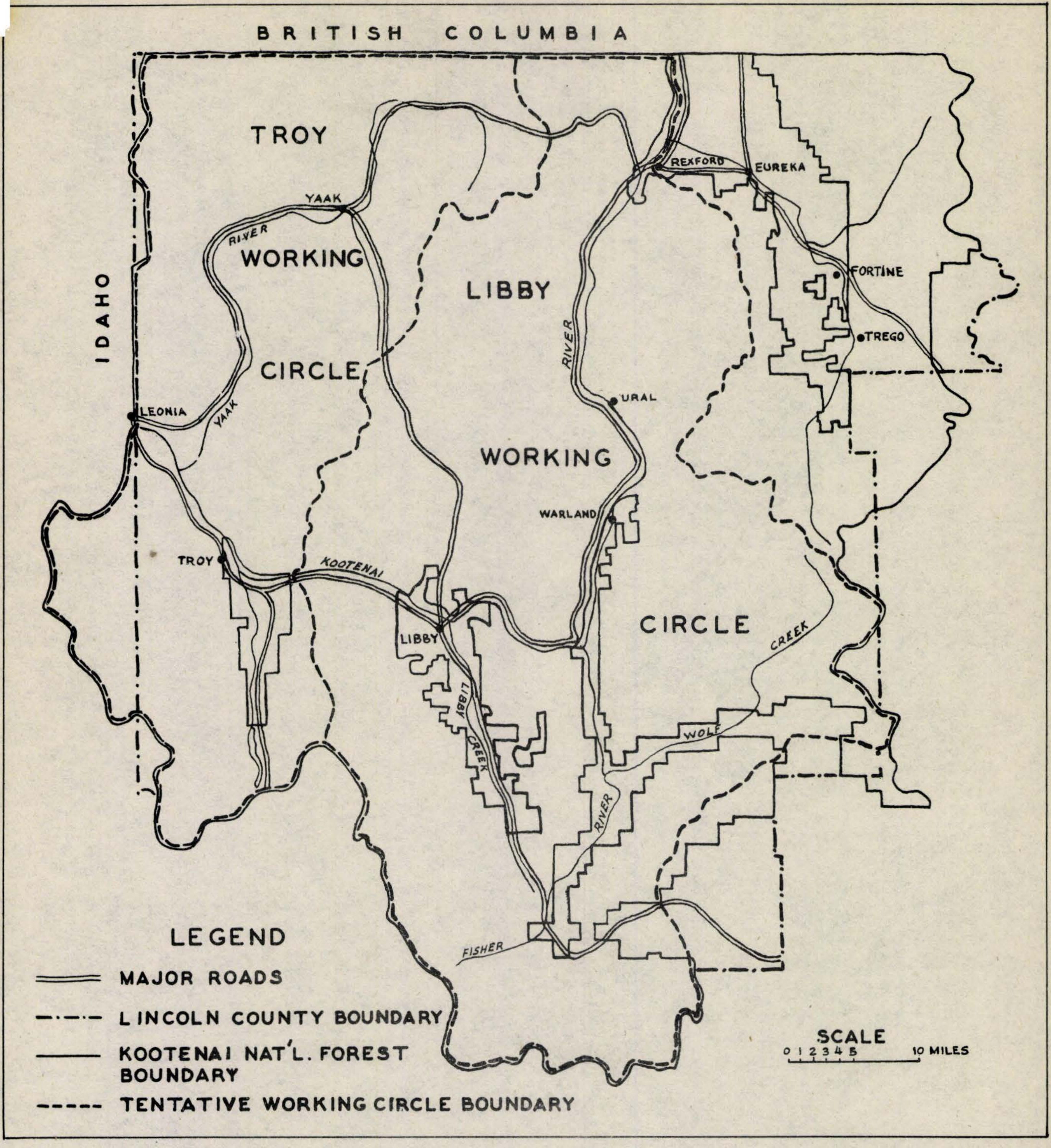
* Unless otherwise indicated the timber volume is expressed in terms of log scale.

**The forest statistics in this section for the county as a whole are taken from "The Forest Situation in Lincoln County" by S. Blair Hutchison and from "Forest Survey," Release No. 2 - both are publications of the Northern Rocky Mountain Forest and Range Experiment Station, Missoula, Montana. The forest statistics for the Libby-Troy area are taken from a study being conducted by Professor A. B. Bowman on the Kootenai Forest.

[x] For forest management purposes the Kootenai Forest has been divided into three management units or working circles. These are the Libby, Troy and Fortine working circles. Except for the modification noted below the Libby-Troy area or community is considered in this report to be coterminous with the Libby and Troy working circles.


BRITISH COLUMBIA
IDAHO
TROY
WORKING
CIRCLE
LIBBY
WORKING
CIRCLE
YAAK
RIVER
YAAK
REXFORD
EUREKA
FORTINE
TREGO
RIVER
URAL
LEONIA
WARLAND
TROY
KOOTENAI
LIBBY
LIBBY
CREEK
CREEK
WOLF
RIVER
FISHER
LEGEND
MAJOR ROADS
LINCOLN COUNTY BOUNDARY
KOOTENAI NAT'L. FOREST BOUNDARY
TENTATIVE WORKING CIRCLE BOUNDARY
SCALE
0 1 2 3 4 5
10 MILES

Lincoln County, Montana, showing major population centers and roads, and the county, national forest and working circle boundaries.

forest. The Libby Mill, the second largest owner of timber in the community, has 18 percent of the saw timber volume and 11 percent of the forest acreage (over 168,000 acres). Thus the two largest owners have 88 percent of all the timber in the area.

This concentration of ownership gives the two largest timber holders great influence in the local economy. It also makes cooperation in management of the forest resource easier than would be the case were the ownership more dispersed. On the other hand, this condition raises a number of important questions concerning the utilization of the national forest timber. These are discussed in detail below.

Prior to the large timber purchase by the Libby Mill in 1942, none of the operators in the community had ever owned any great body of timber. In 1940 the Libby Mill owned only 85 MM feet of pine which was sufficient to keep them in operation for no more than 4 or 5 years. Mill owners in this area had had the policy of liquidating their timber very quickly and either sold their cut-over land to farmers or exchanged it with the Forest Service for stumpage. During the decade of the thirties over 90,000 acres were added to the national forest in this way. More than one-half of this acreage was acquired from the Libby Mill.

The Timber Industries

The major features of the timber industry in the Libby-Troy community are that it is unionized, highly mechanized, and that one operator logs and manufactures nine-tenths or more of the timber volume.

Type of Operators

In 1944 six sawmills were reported in the Libby-Troy area - the Libby Mill and five small ones. During this year the Libby Mill sawed over 71 MM feet as contrasted with probably no more than 2 MM feet by the five sawmills. The Libby Mill for the year 1944 employed over 500 persons in their logging and manufacturing operations and had a total pay roll of nearly $1\frac{1}{2}$ million dollars. By contrast with the Libby-Troy community the Eureka area comprising northeast Lincoln County reported 25 small mills, chiefly tie mills, the majority of which had a capacity of less than 1 MM feet.

Although approximately 90 percent of the total volume of timber products produced in the area comes from sawlogs, the volume and the value of the minor products have been increasing in the last several years. In the Libby-Troy area there were reported in 1944 twenty operators who produced such minor products as posts, poles, piling, ties, and pulpwood. All of these operators except one employed fewer than ten men. For this period these operators produced between 1/2 and 1 million posts, 5 to 10 thousand poles, and over 3 MM feet of pulpwood. The production of posts has increased greatly during the war years. The production of poles reached a peak of 40,000 in 1942 and with the large postwar demand for poles from the Rural Electrification program the pole production should increase appreciably. Few ties are made in the Libby-Troy area.

During recent years Lincoln County and adjacent regions have become one of the leading Christmas tree producing centers in the Nation. Over 1,100,000 Christmas trees were cut in the county in 1944. Probably 15 to 20 percent of this total were cut in the Libby-Troy area.

The pole and post production is centered around Troy. Eighteen of the 26 timber operators reported in the community are located here. Relatively few Christmas trees, however, have been produced in this locality. Part of the logging operations of the Libby Mill have been located at Troy in recent years.

Trends in Mechanization and Manufacturing

The sawlog industry has become highly mechanized. In logging, caterpillar tractors, good roads and large trucks have replaced horses, logging railroads and donkey engines. Although exact figures are not available, it is known that the number of feet logged per man hour has increased greatly during the last quarter of a century.

Increased mechanization and remanufacture have taken place at the Libby Mill in recent years. The mill was remodeled in the late thirties. Box shooks and grain doors have been manufactured since that time. All the lumber has been kiln dried since 1940 and in 1943 a Presto-log plant for the utilization of sawmill wastes was installed. Possibilities for the manufacture of additional wood products in the area are being studied and will be discussed below.

Labor Force and Working Conditions

A reasonable estimate is that from one-half to two thirds of the employed male workers in the community gain a majority or all of their livelihood from logging and sawmill employment. The proportion of persons engaged in work directly related to the forest would be even greater were the Forest Service personnel and all individuals gaining at least a part of their income from timber operations added. Over four-fifths of the logging and sawmill workers in the community are employed in the Libby Mill.

As elsewhere in the country there has been a decided labor shortage during the war period. The number of men employed by the Libby Mill has declined from between 600 and 700 in 1940 to slightly over 500 in 1944. During the war period the Libby Mill used two shifts in the sawmill.

The labor force of the two large timber operators in the community is unionized. There are three local unions - a loggers' union and a sawmill workers' union at the Libby Mill and a loggers' union which comprises the labor force of the E. E. Drury and Sons logging operations at Troy. The total membership of these three unions in 1945 was between 450 and 500 men. These organizations are affiliated with the American Federation of Labor through the Northwestern Council of Lumber and Sawmill Workers.

The two unions at the Libby Mill were organized in 1935 and signed their first collective bargaining agreement with the operator in 1940. The differences between labor and management have resulted in two strikes - one in 1928 and the other the industry-wide strike in the fall of 1945. The outcome of the strike in 1928 could hardly be called a victory for labor as the local union which called the strike had only a part of the labor force in its membership and disintegrated soon after the settlement of the strike. The strike of the fall of 1945 has made the community more aware than ever how dependent it is upon the timber industry for its livelihood.

Until very recently the typical lumberjack might be characterized as "homeless, womanless, and voteless."* During the last quarter of a century in Lincoln County, however, the number of married men working in the timber industry has increased appreciably; so much so that the remark is frequently heard "that the home guard has taken over." The bunkhouses which the Libby Lumber Company once needed for housing the single men working in the mill have long since disappeared.

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*See Vernon H. Jensen, "Lumber and Labor," chap. I (1945), for a characterization of the timber industry.

Along with the disappearance of the bunkhouses has been that of the mobile school. In the early twenties a sufficiently large number of families were living in the logging camps in the area so that it was necessary to provide such school facilities. But conditions have so changed that for the last several years even the loggers have been able to return to their homes at night if they so wished. This has meant that some loggers have had to commute as much as 50 miles or more a day to get to and from their work. Although the practice of commuting to and from work for married workers is most desirable from the standpoint of family and community stability, the question of "portal to portal pay" may soon be raised in the timber industry as it has been in the mining of coal.

Lumbering, a man's job, may be characterized as arduous and hazardous. The only women employed in the timber industry in the Libby-Troy community have been in office work and, during the war period, at a few of the lighter tasks in the Libby Mill. Lumbering is one of the most hazardous of all industries as is shown by frequency and severity rates. In the number of disabling injuries per 1,000,000 man hours (frequency rate) lumbering leads all industries with 56 injuries. This is over three times the average for all industries. In lumbering nearly 5½ days are lost from injury per 1,000 man hours (severity rate). This is 4½ times the average for all industries.* The accident rate at the Libby Mill as is discussed later is much below the national average which has just been quoted.

Wages

The wages paid in the Libby-Troy area approximate those reported by the Bureau of Labor Statistics for the Inland Empire as a whole. This agency reported that for August 1944 the straight-time average hourly earnings were $1.17 in logging and $0.97 in sawmills in this region. Loggers were paid higher wages than mill workers chiefly because some loggers were engaged in piece work. The hourly rates now are about twice what they were 20 years ago and are somewhat higher than they were in 1939, but rose very little during the war period because of the wage stabilization regulations. These wage rates should be seen in light of the fact that the work is highly specialized and that it is seasonal.** The Libby Mill, however, has been able to manage its operations so that there has been very little lay-off in the winter and early spring, even in logging.

Timber Exhaustion or Sustained Production

Although in comparison with many other forest communities the Libby-Troy area has a relatively large volume of commercial timber, all forest conscious people now recognize that the supply can all too easily be exhausted. That is, if management of the forest on a sustained production basis is not followed. A quarter of a century ago the major emphasis was on rapid exploitation of the forest. Hope was expressed that the Libby-Troy area could support three large mills and reports were that Libby and Troy were surrounded by forests of 20,000 MM feet or more of timber.*.

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* These accident statistics are taken from "Industrial Supervisor," October 1945, a publication of the National Safety Council.

**The straight-time average hourly wage in the timber industry in the West, however, is twice as high as the wage in the South and considerably above that in the Northeast section of the country.

Timber Growth and Drain

Forest Survey estimates are that in Lincoln County the average annual sawlog cut and fire drain in recent years has been over 85 MM feet. This is to be compared with an estimated growth of nearly 93 MM feet. Ponderosa and white pine have had a drain, however, which much exceeds their growth - a drain of over 32 MM feet as compared with a growth of 14 MM feet.

In the early twenties when there were four large mills in the county there was probably an annual cut of well over a 100 MM feet. In 1925 the cut was 82 MM feet, but dropped very decidedly during the depression and in 1932 was only 16 MM feet. It rose to 40 MM feet in 1939 and to over 85 MM feet in 1944. Although these are figures of the county as a whole they are indicative of the situation in the Libby-Troy area. The allowable cut in the Libby-Troy area has been estimated at 80 MM feet. This might be increased to a 100 MM feet or more if an adequate road system were constructed for full utilization of the forests and if certain stand improvement practices were followed.

For the most part the easier logging chances in terms of terrain and distance from milling centers have been cut. This means that a large portion of the remaining timber consists of more difficult chances up the drainages and farther from the mills. The early pattern of cutting was to cut clean in the vicinity of the mill. The fact that the face of the forest has been cut, together with the rough terrain of the area, demands an extensive road system for full utilization of the timber. In addition, economical logging in such an area necessitates heavy equipment for the long, steep hauls.

Disastrous fires and destructive logging in the Libby-Troy area have reduced the allowable cut of timber to possibly one-half of what it might have been. Fortunately, however, the community still has a part of its original timber heritage. This may be used as a basis for building a prosperous community if the forest is put on a sustained production basis and the timber is cropped instead of "mined."

Planning for Sustained Production

Favorable conditions that existed in the Lincoln County timber industry were not to last for long. In 1923 there were four large mills in the county with a total capacity of over 160 MM feet annually. These mills were located at Eureka, Warland, Libby and Troy. By 1929 all except the Libby Mill had closed, Warland had become a ghost town and Eureka and Troy had each suffered a decided decline. Shortly afterwards came the depression of the thirties and lumbering operations were reduced still further.

At this time those concerned with the management of the timber resource of Lincoln County, principally the Forest Service, realized that the period of expansion had closed and attention began to be focused on ways and means of stabilizing the lumber industry. In 1923 when four large mills were in operation in the county plans were made to divide the forest into five working circles - Eureka-Rexford, Warland, Libby, Troy and the Yaak region. See map above. Several factors caused revision of these early estimates. Within a few years three of the four large mills had closed and extensive cruising by the Forest Service had indicated that there was less timber in the area than first estimates had shown. In addition, the very destructive fire of 1931 and insects and disease, especially in the white pine and spruce, had reduced further the supply of timber.

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*"Lincoln County, Montana, History Resources, Industrial Development and Record in the Great War," Western Montana Publishing Company, 1920.

During the depression of the early thirties little was done toward planning a sustained yield management unit. In 1936, however, the Forest Service staff on the Kootenai Forest began an analysis of the timber situation and prepared a tentative management plan. The major emphasis of this program, as well as that of the Forest Survey which followed, was that of stabilizing the timber industry in south Lincoln County by combining the timber of all ownerships under one management plan and operating the unit on a sustained production basis.

In 1938-39, a sustained-yield committee representing business and labor was sponsored by the Libby Commercial Club. This committee in cooperation with the Forest Service conducted an educational program informing the public of the proposed management plan and the timber situation in the area. Several discussions of this program were held in Libby and at least two meetings were held in Troy. Extensive publicity was given in the local newspaper concerning the need for putting the forest on a sustained yield basis.

Two major objectives of the timber management plan were (1) the acquisition of a large body of ponderosa pine in the southeast portion of the county by either the Forest Service or the Libby Mill (more likely the former), and (2) stabilizing the production of the Libby Mill by centering the milling and remanufacture of timber there. These objectives were stated in a memorandum presented by members of the sustained-yield committee to the Forestry Committee of the U. S. Congress holding hearings in Portland, Oregon, in the winter of 1939-40. In this memorandum it was suggested that the Libby Mill be stabilized by a cut of 40 to 50 MM feet annually. Later the proposed volume of cut was raised considerably.

Great progress was made in assuring the community of a continuous timber supply when the Libby Mill purchased in the summer of 1942 over 100,000 acres in the southeast portion of the county from the Anaconda Copper Mining Company.*

Centralization of Industrial Control

A knowledge of two major changes or trends is necessary in order to understand the problems of forest management and utilization facing the Libby-Troy community today. One major change has just been described. That is, the shift from a continually expanding forest industry and quick liquidation to emphasis on sustained production and stabilizing an industry at a given level. Another trend, which in some ways is closely related to the one that has been described, is the centralization of the timber industry in one major operation. Within the last 15 or 20 years the Libby Mill has gained a dominant place in the community and in the county as well. In the early twenties the Libby Mill sawed probably one-third of the timber milled in the county. This proportion has increased until by 1944 the Libby Mill sawed five-sixths of the timber cut in the county and from 95 to 98 percent of that cut in the Libby-Troy area. In a community in which two-thirds or more of the basic income is from the forest, the important place an industry like the Libby Mill occupies in the economy is obvious. For a discussion of the typicalness of having a whole national forest dominated by one mill, see Appendix E.

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*"Western News," July 2, 1942.

Centralization in the Forest Industry

Contrasted with Eureka and many other forest communities, the Libby-Troy area has never had many small sawmills. Of mills cutting less than 1,000 M feet there were never more than three reporting in the area prior to 1938. With an increased demand for timber in 1939-40 the number of small mills grew so that there were ten such mills reporting in 1941; this number had declined to seven in 1943 and to five in 1944.*

As described above there were four relatively large sawmills in operation in Lincoln County in 1923. All of these except the Eureka mill were in the Libby-Troy area. Of the three mills in the community at this time, one was located at Warland, one at Libby and one at Troy.

The Warland mill was constructed in 1917. It had a single band saw and a lathe and planing mill. The annual capacity of the mill was estimated at 30 MM feet annually and in 1920 employed about 140 persons. The mill cut chiefly pine; a large portion of the cut came from the national forest. Logging was done by railroad.** The mill closed in 1926 after having cut the easier chances within several miles of the plant.

In 1920 a large body of national forest timber near Troy was bid in by a buyer who proposed to mill it outside the community. Through action by Troy citizens the Forest Service canceled this bid and the timber was purchased by the Sandpoint Lumber and Pole Company who constructed in 1921 the largest mill ever located at Troy. This mill with a single band saw and working one shift per day had an annual capacity of 15 to 20 or more MM feet. The mill burned in 1928 and was not rebuilt.

In the late twenties a medium-sized mill was set up in the O'Brien Creek drainage near Troy. This mill, cutting national forest timber, operated only 3 or 4 years. In addition to the operations just described the Bonners Ferry Lumber Company had extensive logging operations in the county and floated the logs to their mill at Bonners Ferry, Idaho.

Since the closing of the four timber operations just described the Libby Mill has been the only large operator in the community.

Another indication of the centralization of control in the timber industry may be obtained from a study of the county tax records. See table 8A in the Appendix. The number of timberland and sawmill owners paying a property tax of over $1,000 annually decreased from five in 1925 to three in 1940. Previous to the purchase of the Anaconda Copper Mining Company's timber in 1942 by the Libby Mill, the mill paid from one-fourth to one-third of the total tax paid by all the large timberland and sawmill owners. In 1944, however, this proportion was increased to three-fourths. The Libby Mill is now the second largest taxpayer in Lincoln County, being surpassed only by the Great Northern Railroad. The mill pays one-seventh of the total taxes collected by the county.

Production and Employment Record of the Libby Mill

A stationary sawmill was first constructed in Libby in 1906. This plant changed ownership several times until in 1919 it was purchased by its present owners. The company now operating the Libby Mill was organized and first operated in the State of Minnesota and is incorporated under the laws of that State.

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* Census data from Northern Rocky Mountain Forest and Range Experiment Station.
**"Lincoln County, Montana, History Resources, etc.," op. cit.

For the 20-year period of 1919-38 the Libby Mill sawed 835 MM feet of logs or an average of over 40 MM feet per year. Of the logs sawed in the Libby Mill during this period approximately nine-tenths were logged by the mill itself and one-tenth purchased from other loggers. The average employment of the mill during this period was 450 persons and the average annual pay roll was over two-thirds of a million dollars.

The volume of logs sawed by the Libby Mill was above 50 MM feet in the late twenties, fell to 15 MM feet in 1932, then rose until it was well above 40 MM feet during the late thirties. Over 55 MM feet were sawed in 1940, 67 MM feet in 1942 and 71 MM feet in 1944. The proportion that the national forest timber forms of all timber cut by the Libby Mill has increased decidedly in recent years. In the early twenties the mill cut no national forest timber whereas in 1944 the cut from the national forest formed 73 percent of the total.*

As the proportion of the timber in the Libby-Troy area logged and sawed by the Libby Mill has increased, the percent of the timber workers in the community which are employed in the mill has also grown. In the middle twenties probably less than one-half of the loggers and sawmill workers were employed by the Libby Mill whereas by the forties this proportion had increased to between 80 and 90 percent. A reasonable estimate is that at least two-fifths of all the gainfully employed male workers in the community in 1940 were employed by the mill.

Other Business Interests of the Management of the Libby Mill

As is frequently the case with business and industrial organizations which hold as dominant a place in a community as the Libby Mill, the management of the mill have other business interests than that of logging and manufacturing timber. One or more members of the mill's management are directly or indirectly concerned in the community with the generation of electrical power, banking, housing and the operation of the local hospital.

For several years the mill has generated in their steam plant the electricity used by the town of Libby. This electrical current is sold to the Mountain States Power Company for distribution in the town. In 1944 the owners of the mill purchased control of the hydroelectric plant near Troy.** This plant has been remodeled and enlarged and provides power for both Libby and Troy and the mill itself.

Since the merger in the summer of 1945 of the bank at Troy with the bank at Libby,[x] the latter is the only bank remaining in the county. Three or four members of the management of the mill are generally on the six-man board of directors of the Libby bank.

Although the Libby Mill has only limited holdings in residential property it is now undertaking the construction of homes for its employees so that adequate housing may be provided. At present the mill probably owns less than 25 dwellings in the community.

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* Most of the data on the operation of the Libby Mill were supplied by the J. Neils Lumber Company.

**"Western News," June 15, 1944.

[x] "Western News," June 21, 1945.

Libby has had a hospital for a number of years. From 1928 until the fall of 1944 it was operated by a local physician. At the latter date a corporation, the St. John's Lutheran Hospital, Inc., was formed to take over the operation of the hospital. All trustees and officers of the hospital are members of this church.* Several members of the management of the mill are on the hospital board. The mill has a contract with the hospital for the care and treatment of the lumber company employees. Plans are to construct a new hospital at an early date.

Public Reaction to Industrial Centralization

At the same time that industry and business have centralized in Libby the economy of Troy has declined. During the last 15 to 20 years Troy's only large sawmill burned, the mining activities in the area have been greatly restricted, and the number of railroad employees living in the town has decidedly declined. There was a possibility of locating a mill in Troy in 1941 but this did not materialize.

These conditions together with the fact the ownerships of the bank and the power plant were transferred to Libby convince many Troy residents that Libby is growing at the expense of Troy and that such a change has been purposely planned. Although the Libby Mill has had a logging camp and a repair shop in Troy several years these are not permanent operations. The comment is frequently made by residents of both Troy and Libby that the mill "has all the timber tied up and a monopoly is being formed with the help of the Forest Service." There are of course favorable as well as unfavorable reactions to this centralization. Both types of comments are described in detail below.

Sale of Timber From the National Forest

The major problem of forest management and the chief question of forest policy in the community at the present time is how will the timber on the national forest be utilized. That is, who will purchase and manufacture it? The purchase of national forest timber has become a major issue for three reasons. First, the great majority of the privately owned timber has been cut. Second, during the war period, with its relatively high prices for timber, operators looking for a new location have been attracted to the community. Third, the forest management plan worked out by the Forest Service proposes that the first use of the timber in the area be to sustain the Libby Mill at a given level; what timber remains may be sold to other operators. For the coming year it is estimated that in the Libby and Troy working circles there will be no more than 4 MM feet of sawlogs for these operators. This is to be compared with a possible cut of 40 to 50 MM feet or more by the Libby Mill.

Factual data on purchases of national forest timber are presented in this section while a discussion of community opinion is reserved for the following section.

The Private Timber Has Been Cut

A growing proportion of the timber cut in the county is coming from the national forest. See table 7A in the Appendix. For the 5-year period ending in 1929 only 16 percent of all timber cut in the county came from the national forest. For the period 1930-34, 30 percent came from the national forest, for the period 1935-39, 41 percent, and for the 1940-44 period, 54 percent. By

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*"Western News," October 26, 1944.

1943-44 when the average annual cut from the county had reached 84 MM feet two-thirds of the total volume came from the national forest.

The Troy area is almost entirely dependent upon national forest timber. Only 3 percent of the 1,569 MM feet of timber in the Troy working circle is privately owned. This explains the great interest that Troy citizens have in the utilization of national forest timber in the area. By contrast with Troy, 40 percent of the timber in the Libby working circle is privately owned.

Purchases of National Forest Timber

Of the timber taken from the Kootenai National Forest in the early twenties none was cut by the Libby Mill. On the other hand, in 1943-44 the mill cut five-sixths of the timber taken from the Kootenai Forest.

At the same time the proportion of all timber cut and sawed by the Libby Mill coming from the national forest has also increased. See table 9A in the Appendix. In 1930, 12 percent of the timber cut by the Libby Mill came from the national forest, 27 percent in 1937-40, 45 percent in 1941-43, and 73 percent in 1944.

It is of interest to analyze the sales of timber products for the Libby-Troy working circles of the Kootenai Forest for the fiscal year ending June 30, 1945.* During this year the Libby Mill purchased nine-tenths of the volume of sawlogs sold. There were only three other sales than those to the Libby Mill.

For this same year sawlog sales in this portion of the forest amounted to over $53,000, pole and post sales over $8,000 and Christmas tree sales over $5,000. There were 15 or more purchasers of pole and post stumpage but no one operator bought as much as one-third of the total. Of the Christmas trees there were three large buyers and several small ones. The largest buyer, however, purchased only 40 percent of the total.

By contrast with 1945, in the fiscal year of 1921 ten operators purchased sawlogs from the Libby-Troy area of the Kootenai Forest. The purchase by the Libby Mill of 2,335 MM feet was only a small portion of the total volume of timber sold. Two other buyers purchased much more than the mill and one other nearly as much.**

The Keeler Creek Sale

Although the Libby Mill has purchased a great proportion of the national forest timber sold in the area for the last several years, the Keeler Creek sale of 1941 stands out because of the public interest raised, especially at Troy. A large body of timber in this drainage which lies south of Troy was offered for sale by the Forest Service. The Libby Mill was out bid on this sale and the timber was purchased by an operator from outside the State. This operator first proposed to construct a mill at Troy and manufacture the timber there, but later he secured approval from the Forest Service and sold the timber to the Libby Mill. A number of Troy residents were critical of this transaction because it deprived the area of the one opportunity in recent years to have a moderately large mill. The critical comment was also made that the timber was appraised too low or this resale would not have been possible. The management of the Libby Mill evidently considered possession of this timber necessary for successful operation of its plant to have paid a price possibly considerably higher than its original bid.

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* Sawlog sales for any one year are misleading in indicating the total volume cut, as an operator may cut several years from one timber purchase.

**These other operators ceased to operate during the 1922-23 depression. Other small purchasers increased during 1926-29 and then passed out of the economic picture in the depression of the thirties. The rise and fall of the small operators was not a product of forest policy but was due to the decline of the lumber market for rough-sawn products.

Correction: Page 45

Paragraph 3, page 45, should be corrected as follows: The present forest policy was well expressed in the "gentlemen's agreement" made in 1942 among the Forest Service, the State Forester, and the Libby Mill. Under this arrangement, the Libby Mill agreed to selective cutting on their own lands and the three parties thereto stated their intention to conduct the disposal program of timber, within the limitations imposed by law and regulations, from the three properties to insure the availability of 55 million feet annually. Of this, the national forest timber was to provide a part.

VI. MERITS AND LIMITATIONS OF PRESENT FOREST PROGRAMS AND POLICIES

The preceding section has provided necessary information for evaluating present forest policies and programs. In this section major features of forest policy are described and its merits and limitations are discussed.

Salient Features of the Cooperative Agreement and Related Forest Policy

Major features of the forest utilization policy that has been evolving during the last 8 or 10 years are (1) that the Libby-Troy area be operated as one sustained yield management unit and (2) that the Libby Mill be the major manufacturer of sawlogs and be sustained at a given level. Forest products not utilized by the Libby Mill were available to other operators but there was no assurance as to the amounts. Planning for raw materials has been done for only one operator. During the war period sawmills, at least those of any size, have been discouraged from coming into the area. Although this is true, operators have been referred to other locations.

The present forest policy was well expressed in the "gentlemen's agreement" made in 1942 between the Forest Service and the Libby Mill. Under this arrangement the Libby Mill agreed to selective cutting on their own lands and in return the Forest Service would permit the mill to cut up to 55 MM feet from the national forest.

Public Law 273

An enabling act, Public Law 273, passed by Congress in 1944, makes it possible to give present forest policy legal status. This Act enables timber lands under the jurisdiction of the Secretary of Agriculture or of the Interior to be combined with reasonably large private holdings into one sustained yield management unit. In return for following desirable forestry practices the private cooperator is to be sold public timber without competitive bidding. The primary objective of the cooperative enterprises set up "under the Act is to obtain the community stability and other public benefits which flow from uninterrupted operations under a sustained yield management plan."*

Present policies are evaluated below in terms of this objective. The objectives of this Act as stated in the Act itself are: "(1)... to promote the stability of forest industries, of employment, of communities, and of taxable forest wealth, through continuous supplies of timber; (2)... to provide for a continuous and ample supply of forest products; and (3)... to secure the benefits of forests in maintenance of water supply, regulation of stream flow," etc.**

The Proposed Agreement Between the Forest Service and the Libby Mill

Under this agreement the national forest and the forest land of the Libby Mill in the Troy and Libby working circles would be combined in one management unit. It is to be proposed that of the 80 MM feet estimated allowable cut the Libby Mill utilize 70 MM feet. Two-thirds of the latter amount will come from the national forest and one-third from the forests owned by the Libby Mill. National forest timber may be purchased by the Libby Mill at appraised value and without competition.

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* "Policy and Instructions Governing the Establishment of Sustained Yield Units Under the Provisions of Public Law 273," mimeographed, U. S. Forest Service, 1944.

**Public Law 273 - 78th Congress, Chapter 146 - 2d Session.

The sawlogs not utilized by the mill may be sold to small operators on a competitive basis. It is estimated that next year 4 MM feet will be available to small operators and that later an average of 10 MM feet may be utilized in this manner. It has not been definitely determined how the minor forest products such as poles, posts and pulpwood be sold. One proposal is that these products be left out of the cooperative agreement, while another is that the Libby Mill be allowed all the minor products as well as the sawlogs on the areas of timber which they purchase.

In return for a given supply of timber without competitive bidding the Libby Mill will carry out selective logging and sustained yield practices on its own land. It will cut timber according to a given rotation which aims toward the utilization of mature timber and preventing an over-cut of pine. The private cooperator in this agreement is expected to operate with reasonable efficiency and to maintain as full and as steady employment as possible under the circumstances. This agreement would be enforced for at least 25 years and any noncompliance with the agreement by the private cooperator makes him liable to court action.

Public Reaction to This Policy

Public reactions to forest policy were gained (1) through informal interviews, (2) from discussions in several public meetings, and (3) from attitude questionnaires. During the writers' residence in the community conversations of varying lengths were carried on with probably 250 to 300 persons. Many of these persons did not have sufficient knowledge of the forest program to have an opinion with respect to it. With regard to other individuals there was not sufficient opportunity to secure their opinions on forest policy. In all, however, 97 persons who had definite knowledge of the forest program, exclusive of Forest Service personnel, were interviewed.

Interviews on Forest Policy

Most of the information presented in this section is an analysis of the interviews with these 97 individuals and with Forest Service personnel. In table 1 these 97 persons are classified according to their occupation and attitude on the present forest policy. Of the whole group, 18 percent are classified as definitely favoring the present program, 48 percent as unfavorable toward it, and 34 percent as undecided, i.e., had not made up their minds. It is likely that this sample of 97 persons were more unfavorable to present forest program than the community as a whole, as persons with unfavorable attitudes were definitely sought out. This possibility is discussed below. Also, the leaders of the various groups were more likely to be interviewed than were other persons.

Table 1 - Persons interviewed who possessed knowledge of the forest program classified as to their occupation and as to their attitude on the present forest policy.

Occupation	Type of attitude			Total number
	Favorable	Undecided	Unfavorable	
Libby business people	11	6	2	19
Loggers and mill workers	3	10	9	22
Housewives	2	3	5	10
Troy business people	1	0	3	4
Eureka business and professional people	0	5	3	8
Libby professional people	0	4	4	8
"Non-timber" laborers	0	2	3	5
Farmers	0	3	6	9
Small operators	0	0	12	12
Total number	17	33	47	97
Percent	18	34	48	100

Knowledge of Forest Policy

Prior to the late summer of 1945 only a few individuals were aware that Public Law 273 existed and that a cooperative agreement between the Forest Service and the Libby Mill was being planned. All forest conscious persons did know, however, that almost all of the timber cut in the community was manufactured by the Libby Mill and that this organization had for several years purchased the greater proportion of the national forest timber. A number told of the Keeler Creek sale. Some persons, especially businessmen and mill workers, had knowledge of the work of the "Sustained Yield Committee" in the late thirties and early forties. But because of certain objectives of the program proposed by the committee, the term "sustained yield" was misunderstood by a number of persons. The major connotation of this term to these individuals was the manufacture of national forest timber by the Libby Mill and not the principle of sustained production.* As is described below there were also other evidences of misunderstanding of forest programs and policies.

Attitude Statements

An attitude questionnaire consisting of ten questions on the forest and community was filled out by 444 persons, approximately one-seventh of the adults in the Libby-Troy area. The questionnaires were presented at the meetings of 15 organizations and checked at that time. Five of the statements on the questionnaire pertained to forest management and utilization policies. Distributions on these statements for the total community, for Libby and Troy separately and for each of the organizations are shown in the tables below.

Sustained Yield

The question, "Would you favor putting the forest on a sustained yield basis - that is, cutting the timber no faster than it grows so there would be a supply of timber indefinitely?" was answered overwhelmingly in the affirmative in spite of the fact of some misunderstanding of the term "sustained yield." See table 2. Approximately nine-tenths of the persons answering the question favored sustained yield management. The only groups that were noticeably deviant from the community as a whole were the Troy Grange and the Troy Senior Women's Club. These deviations can probably be explained by the fact that the meaning of sustained yield was not explained to these groups.

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*The use of the term sustained yield or sustained production in this discussion is in accord with the definition given by H. H. Chapman in his "Forest Management," chap. VII, "Sustained yield requires first, that reproduction be established on cut-over areas and second, that as far as possible the standing timber be cut in such quantities that no complete break in yield will occur which is serious enough to disrupt the dependent industries and change the habits of consumers of wood."

Table 2 - Distribution of selected organizations on the statement: Would you favor putting the forest on a sustained yield basis - that is, cutting the timber no faster than it grows so there would be a supply of timber indefinitely?

Name of organization	Number answering	Percent		
		Yes	Undecided	No
Libby Lions' Club	15	100	0	0
Libby Senior Women's Club	41	100	0	0
Libby High School Seniors	30	100	0	0
Libby Presbyterian Circle B	12	100	0	0
Libby Junior Women's Club	38	94	3	3
Libby Kootenai Valley Grange	16	94	6	0
Troy Junior Women's Club	17	94	0	6
Libby Farm Women's Club	12	92	8	0
Troy Development Club	29	90	3	7
Libby-Troy Loggers' Union	45	89	4	7
Libby Chamber of Commerce	28	89	7	4
Libby Mill Workers' Union	88	88	6	6
Troy High School Seniors and Juniors	15	87	13	0
Troy Senior Women's Club	18	78	11	11
Troy Cabinet Grange	32	56	16	28
Libby total	278	93	4	3
Troy total	111	88	9	13
Grand total	434	89	5	6

Timber Exhaustion

A question related to the one above is: Do you think that the timber around here will soon be cut out? See table 3. Approximately two-thirds of the population answered this question in the negative inferring that there would be a supply of timber in the area for some time to come. A noticeable difference existed between Libby and Troy in their answers to this statement. Thirty-five percent of the Troy people thought that the timber would soon be cut out as compared with 22 percent in Libby. It should be recalled that practically all of the private timber in the Troy area has been cut. The loggers, the group with probably the greatest forest experience, were much more inclined to think that the timber would soon be exhausted than were the rest of the population. On the other hand, the business people in Libby (Chamber of Commerce, Lions' Club, Women's Clubs) were the most likely to think sustained production would be practiced.

A number of persons, approximately one-fourth of the attitude population, believed that sustained yield was desirable but doubted whether it would be practiced. This is revealed by comparing answers to the two above questions.

Table 3 - Distribution of selected organizations on the statement: Do you think that the timber around here will soon be cut out?

Name of organization	Number answering	Percent Yes	Percent Undecided	Percent No
Libby Lions' Club	15	6	6	88
Libby Senior Women's Club	37	16	0	84
Libby Chamber of Commerce	28	11	11	78
Libby High School Seniors	30	27	3	70
Libby Presbyterian Circle B	12	8	25	67
Libby Mill Workers' Union	91	25	8	67
Libby Junior Women's Club	39	26	8	66
Troy Cabinet Grange	31	32	7	61
Troy High School Seniors and Juniors	15	27	13	60
Libby Kootenai Valley Grange	16	38	6	56
Troy Development Club	29	31	17	52
Libby-Troy Loggers' Union	43	42	7	51
Libby Farm Women's Club	12	25	25	50
Troy Junior Women's Club	16	44	12	44
Troy Senior Women's Club	17	47	12	41
Libby total	280	22	8	70
Troy total	108	35	12	53
Grand total	431	27	9	64

Number of Manufacturing Plants

The question was asked: Assuming the raw materials were available, would it be better for the working people and the community if there were at least two manufacturing plants in south Lincoln County, instead of one? Eighty-four percent of all persons agreed with statement, 95 percent in Troy and 77 percent in Libby. As is shown in table 4, a much larger proportion of Libby businessmen (Chamber of Commerce) and the mill workers disagreed with this statement more than any of the other groups. Only about one-third of these two groups, however, took this position. The one manufacturing plant referred to in this statement was of course the Libby Mill.

Table 4 - Distribution of selected organizations on the statement: Assuming the raw materials were available, would it be better for the working people and the community if there were at least two manufacturing plants in south Lincoln County, instead of one?

Name of organization	Number answering	Percent Yes	Percent Undecided	Percent No
Troy Senior Women's Club	17	100	0	0
Troy Junior Women's Club	17	100	0	0
Troy Development Club	28	97	0	3
Libby Junior Women's Club	39	96	2	2
Libby-Troy Loggers' Union	44	96	0	4
Libby High School Seniors	31	94	3	3
Troy Cabinet Grange	29	94	3	3
Libby Kootenai Valley Grange	16	94	0	6
Libby Presbyterian Circle B	12	92	8	0
Libby Senior Women's Club	38	92	6	2
Troy High School Seniors and Juniors	15	87	13	0
Libby Lions' Club	15	76	18	6
Libby Farm Women's Club	12	67	8	25
Libby Chamber of Commerce	28	61	7	32
Libby Mill Workers' Union	89	61	3	36
Troy total	106	95	3	2
Libby total	280	77	5	18
Grand total	430	84	4	12

Forest Management

Table 5 shows reactions to the question: Are the public forests managed properly? Thirty-nine percent of all persons agreed that the public forests were managed properly, 35 percent disagreed and 26 percent were undecided. Probably the major feature of forest policy, especially to those answering this question in the negative, was that of the sale of national forest timber and the relation of the Forest Service and the Libby Mill. If the question is interpreted in this way it is of interest to note that people in Troy definitely disapproved of the present management of the national forest much more than those in Libby - 60 percent as compared to 17 percent. The business families in Libby (Chamber of Commerce and Senior Women's Club) were the most favorable to forest management practices while the youth and farm people at Troy (High School Group, Grange) and the loggers were most unfavorable. The unfavorable reaction of these latter two groups is partially explained by the fact that they make their living wholly or in part from logging and a number of these persons either have been, are, or would like to be small operators.

Table 5 - Distributions of selected organizations on the statement: Are the public forests managed properly?

Name of organization	Number answering	Percent Yes	Percent Undecided	Percent No
Libby Chamber of Commerce	29	80	17	3
Libby Senior Women's Club	36	80	14	6
Libby High School Seniors	30	63	27	10
Libby Mill Workers' Union	84	52	29	19
Libby Lions' Club	15	47	33	20
Libby Junior Women's Club	36	45	36	19
Libby Kootenai Valley Grange	15	27	33	40
Libby Farm Women's Club	11	27	9	64
Libby Presbyterian Circle B	11	18	73	9
Troy Junior Women's Club	17	12	59	29
Troy Senior Women's Club	18	6	61	33
Troy Development Club	28	7	36	57
Troy Cabinet Grange	30	13	13	74
Libby-Troy Loggers' Union	44	9	5	86
Troy High School Seniors and Juniors	15	0	0	100
Libby total	267	55	28	17
Troy total	108	8	32	60
Grand total	419	39	26	35

New Mills

In table 6 are presented reactions to the question: Do you favor the timber in this area being sawed by the existing mills? The same type of opinion cleavage is found on this question as on the preceding one. Seventy-five percent of the persons in Libby apparently favor the present sawmill situation while over one-half of those in Troy definitely oppose it. The youth, business people and farmers of Troy (High School, Development Club, Grange) and loggers are definitely unfavorable to the present set-up and infer they would like to see other sawmills in the area. It is likely that if this question had been stated more pointedly such as "Do you favor 80 percent or more of the timber being reserved the Libby Mill?" the proportion of negative answers would have been greater.

Table 6 - Distribution of selected organizations on the statement: Do you favor the timber in this area being sawed by the existing mills?

Name of organization	Number answering	Percent Yes	Percent Undecided	Percent No
Libby Senior Women's Club	40	92	0	8
Libby Kootenai Valley Grange	15	87	13	0
Libby Chamber of Commerce	29	86	7	7
Libby Farm Women's Club	12	84	8	8
Libby Mill Workers' Union	90	82	4	14
Libby Lions' Club	14	79	0	21
Libby Presbyterian Circle B	12	66	17	17
Libby Junior Women's Club	38	58	21	21
Troy Junior Women's Club	17	47	24	29
Libby High School Seniors	30	43	27	30
Troy Senior Women's Club	15	40	20	40
Libby-Troy Loggers' Union	45	38	9	53
Troy Cabinet Grange	31	32	16	52
Troy Development Club	29	24	10	66
Troy High School Seniors and Juniors	15	6	13	81
Libby total	280	75	10	15
Troy total	107	30	16	54
Grand total	432	61	11	28

Support For and Opposition to the Present Policy

Analysis of the personal interviews and answers to the attitude questions indicate that public opinion overwhelmingly supports the principle of sustained yield in forest management, is less certain that it will be followed, and is deeply divided as to how national forest timber should be utilized (e.g., one large operation, several smaller ones, etc.). Other than the Forest Service and the management of the Libby Mill, the strongest support for the present forest utilization program comes from the businessmen of Libby who well recognize the contribution of the mill to the economic well-being of the town. The most pronounced opposition to the present and proposed programs is found among the small operators,* and the business and other leaders in Troy. A number of small operators were interviewed and all were highly unfavorable to the "monopolistic" aspect of the sale of timber from the national forest. Troy leaders for the most part are highly critical of present forest policy because no plan has been suggested for stabilizing the forest industry there as has been the case at Libby. Also most of the saw timber cut in the Troy area is shipped to Libby to be manufactured.

As would be expected the groups most interested and best informed concerning forest policy were those most closely associated with the forest in gaining a livelihood, such as the small operators, the management and loggers at the Libby Mill, and of course the Forest Service. It is of interest to note that the loggers were likely not only to be better informed but also more critical than the sawmill workers concerning forest policies and programs. It is quite possible that as the public becomes better informed as to the proposed cooperative agreement, opposition to it may grow unless some possibility of stabilizing the timber industry at Troy is considered and some modification is made in the so-called "monopolistic" features of the agreement.*

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*Small operators or "gyppos" either work alone or employ one or more men. They either buy national forest or private stumpage or cut their own timber. Many of the small operators engage in other activities than logging, chiefly farming. There are possibly 50 to 75 or more individuals in the Libby-Troy area who have sold some timber products within the last 5 years. All these persons would be classified as small operators as the term is used here.

From the evidence gathered in this survey it does not appear that the present forest program has the support of the majority of the individuals in the community. It is significant, however, that a sizable proportion of the population has not yet formed a definite opinion with respect to forest policy, and a number of those unfavorable would likely change their present position were the program now being carried out modified in certain respects.

What are the chief merits and limitations of the present forest program? What type of program would most likely gain greatest public support? These and related questions are discussed below.

Merits of the Program

Desirable features of the proposed cooperative agreement and related forest policies are discussed in this section while limitations and disadvantages are considered in the following section.

Opinions Indicating a Favorable Attitude Toward Present Forest Policies

Favorable opinions are classified below and the number of times each type of opinion was expressed by the 97 persons interviewed is indicated.** These may be considered as reasons for supporting the present forest program.

1. Great majority of the forest is placed on a sustained yield basis.
   This reason for supporting the present program was stated explicitly by 24 persons and implied by others.

2. A progressive, efficient and community-minded operator is stabilized.
   This type of comment was expressed 55 times. Typical comments were as follows:
   The owners of the mill "are interested in the community" - give to worthy causes, loan heavy equipment for use on county roads.
   "They are friendly and down-to-earth fellows."
   "The company is always there with your pay; this is not true of every outfit."
   "They are one of the best companies in the State to work for."
   "They try to fit the man to the job."
   "They do a good job with the timber."
   "They kept their mill going when others had to shut down."
   "A lot of men have worked for them a long time."

3. An industry which has the advantage of size is stabilized.
   This point of view was expressed 15 times. The typical comments were:
   "It takes a big mill to cut this timber right."
   "This is no country for small outfits; they all go broke."

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* The sample of 444 persons checking the questionnaire is biased (higher percent than in total population) in favor of Libby, the business people and persons who are members of organizations. As the former two groups were comparatively favorable to present forest policy it is possible there is even more unfavorable reaction than data presented in tables above indicate.

**As many persons expressed more than one opinion, the number of opinions expressed exceeds the number of persons interviewed.

Almost Nine-Tenths of the Timber in the Area Placed on a Sustained Production Basis

This is a most noteworthy advantage of the proposed cooperative agreement and one which has few critics. One of the most undesirable features of the lumber industry has been its excess productive capacity which has meant quick liquidation of the timber resource in a given area. It is easy to create during periods of high demand for timber, such as the present, a milling capacity in excess of the ability of the forest to produce. This condition the Forest Service has attempted to prevent by discouraging other mills from entering the area, in view of the volume of timber being cut by the Libby Mill.

Under the proposed cooperative agreement a large acreage of yellow pine owned by the Libby Mill in the southeast part of the county is placed on a sustained production basis. Without such assurances as those given by the above agreement, this body of timber might be quickly liquidated. If this body of yellow pine were quickly cut out, it would be most disatrous to the community as the level of lumber production in the area would be much lower than at present. A relatively large cut of pine has been necessary for the success of mills in this region. Thus proper logging of this yellow pine acreage and the manufacture of the logs in the community are necessary to keep the timber industry near its present level of production.

The cooperative agreement gives security to an industry by insuring it a supply of timber (by eliminating competitive bidding and by other rulings) over a reasonably long period of time. The assurance of a supply of timber provides incentive for an industry to make long-time investments in plant improvement and in establishing additional remanufacturing. Under this agreement cutting is planned in terms of type of species and locality. This allows for the more difficult chances to be cut when lumber prices are high and vice versa.

A Progressive, Efficient and Community-Minded Operator is Stabilized

Certainly an industry which maintains steady employment and pays wages equal to or above the average is a most important factor in community stability. If the production of the industry is sizable it must sell a goodly share of its manufactures in the Middle West or in eastern markets. At these markets timber products from the West meet southern competition, and although western products are usually of superior quality they have the disadvantage of a long and costly freight haul. Thus if profitable and continuous operation is to be realized a plant in the Libby-Troy area must be reasonably efficient and progressive.

Considerable evidence was obtained to support the statement that the Libby Mill has a progressive, efficient and community-minded operator. Reasons for holding this position were indicated in quotations above and are described in more detail below. Evidence which tends to refute the above statement is presented in the following section.

Indications that the Libby Mill is a progressive and economically efficient operation are:

1. An OPA-Forest Service study showed it to have one of the lowest costs of any company in the Inland Empire operating the same species to the same degree of refinement.
2. Its long period of continuous operation while all other large mills in the area have closed.

3. Efficient milling of the timber as disclosed by Forest Service studies through good sawing practices which produce higher quality and more of the exportable products, through good drying and remanufacturing practice and through manufacture of Presto-logs.
4. Addition of remanufacturing - box shooks and grain doors and consideration of the manufacture of plywood, etc.
5. Low-cost logging - able management and use of heavy equipment.
6. Capable, low-cost road builders.
7. Competent marketing and stable marketing connections.

The Libby Mill has shown real interest in sustained yield forestry:

1. Practiced it on its own lands in recent years.
2. Purchased large acreage of pine and mixed species from A.C.M. whereby community has been assured of the milling of this timber in the area. Practice of sustained yield forestry rather than quick liquidation is costly. Thus the mill should also be allowed to purchase minor forest products from the national forest in areas in which it has constructed roads to take out sawlogs.

The mill has followed certain practices which have been of real benefit to labor:

1. Its record of steady employment and ability to pay wages when earned has been above the average. Its decline in production during the depression was not below that of the Nation as a whole.*
2. An indication of employees' regard for the plant is shown by the fact that of December 31, 1944, 15 percent of all employees had been with the company 20 years or longer, 39 percent, 10 years or longer, 57 percent, 5 years or longer. There may have been a greater labor turn-over, however, had there been more possibility of other types of employment in the community.
3. Several employees stated that the management of the mill attempts to place the worker in a job to which he is best suited.
4. A low accident record - the severity rate is approximately one-third of the national average in the timber industry; the frequency rate approximately three-fifths of the national average (1944-45 figures).
5. The mill is making a real effort to maintain employment at or above the present level by attempting to secure a given volume of timber from the national forest (through the cooperative agreement) year after year.

The operator is community-minded:

1. The owners of the mill reside in the community and invest in local enterprises rather than having capital leave the area as is the case with absentee owners. The mill owners manufacture electrical power for the community, supply housing for some of their workers, and financial assistance to the local hospital.
2. The mill owners have made generous contributions to worthy enterprises and rendered community service in other ways.
3. The mill makes a tremendous contribution to the economic life of the community in terms of wages and taxes.
4. Several persons commented that much of the criticism of the Libby Mill was a result of jealousy. Evidence of this is that some individuals tempered

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*Production of the Libby Mill compared with production of softwood lumber in the U. S. The latter information was secured from R. L. Buttrick, "Forest Economics and Finance," p. 224, table 14.

their critical comments by remarking, "Of course if I were in their places I would do the same thing."

Stabilizes an Industry Which Has the Advantage of Size

As the advantages and disadvantages of small and large mills are discussed in some detail in an appendix,* only a few of the most pertinent points are presented here.

In the sawmill the point of decreasing returns with increased division of labor is very high. So high that the Libby Mill can very likely increase its number of operations as well as its volume of production and still benefit from decreasing costs - there would certainly be no appreciable increase in costs. That is, e.g., a plant like the Libby Mill might increase its annual cut from 40 MM feet to 80 MM feet, add Presto-log manufacture (conservation of wastes), several types of remanufacture, pole yard and treating plant, and deal in other minor forest products with a continuous decrease in costs. This assumes of course that the various operations mentioned above are integrated properly.

The critical difference in size of mill is when a band saw is used rather than a circular saw; this makes a division between mills at approximately 10 MM feet. A study made before the war by the Forest Experiment Station in the Northern Rocky Mountain Region shows that the average hourly wage increased as the size of mill increased up to 10 MM feet. During the war period, however, it appears that the small mills have paid equally as high wages as the larger ones.**

Other important advantages of a large operation are in marketing and in dealing with other groups such as railroads, Government and suppliers of equipment. With respect to the latter advantage it is of interest to note that before the war the Libby Mill was the largest single revenue producer on the Great Northern Railroad.

Administrative Advantages

Two possible merits of the proposed cooperative agreement from the standpoint of administration by the Forest Service are: (1) this program might serve as a national experiment with respect to the application of Public Law 273; and (2) it is much simpler to plan the operation of one operator than of several.

The public has three ways by which it may have voice in the management of timber lands so that the greatest good to the greatest number is obtained in the long run. These are by Government ownership, by regulation and by the voluntary cooperation of private owners. As yet no cooperative agreements combining the national forest with private lands in one sustained yield management unit have been signed. Here in the Libby-Troy area is an excellent opportunity both in terms of the ownership pattern and the large body of commercial timber for such a program to be attempted. A program in which sustained yield forestry is practiced on private timber land is of national significance. This is true because the Nation is dependent on privately owned forests for 90 percent of its timber, yet most cutting on private lands is done without regard for the future - "mining" instead of cropping.

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* See Appendix C prepared by Nicholas Helburn on the "Advantages of Large and Small Mills in the Inland Empire."

**A survey by the Bureau of Labor Statistics found no difference in average wages paid in the western pine region between mills above and below 26 MM feet annual volume.

As to the second possible advantage suggested above, it would be administratively much easier for the Forest Service to sell all of the national forest timber to one forestry minded operator than to deal with a number of small operators.

Major Limitations and Disadvantages

Criticisms by some of the 97 persons interviewed of the present forest policy are quoted below and then major limitations of this policy are discussed. Although some of the comments quoted are a distortion or misrepresentation of the facts, they are presented to indicate attitudes toward the forest program. The purpose of this section is to present criticism; some evaluation is attempted in a following section.

It will be noted that most of the criticism described below is of the Forest Service or of the Libby Mill. This is to be expected as these are the two groups who largely determine the forest program discussed in this report. A surprisingly small amount of criticism is of a personal nature. This means that if present policies were followed public reaction would likely be much the same regardless of the personalities in the Forest Service and in the ownership and management of the Libby Mill.

Opinions Indicating Unfavorable Attitudes Toward Present Forest Policy

These opinions are classified under five major headings and the number of times each type of opinion was expressed is noted.

1. Inordinate privilege in the timber industry is given the private cooperator.

   This type of comment was expressed 65 times. Representative opinions are:

   The company "has a monopoly on all this timber."

   "People in this country have always been opposed to such monopolies."

   "Most people don't realize it but this sustained yield law (Public Law 273) is monopolistic."

   If the Libby Mill "gets all the Government timber this will be a company town."

   "This is the Libby Mill National Forest" (because of the dominance of the one operator).

   "If a ranger (Forest Service officer) doesn't play ball the company puts pressure on Washington and he is removed."

   "The company will be much harder to deal with if given all the logs."

   "The way the Government handles the timber now the little fellow hasn't a chance; he either has to work for the company, get out or starve."

   "The company shouldn't have all the cedar (in the national forest) and sit on it like a big fat hen, not letting it be cut."

   "There is talk that the Forest Service raised the price of posts to 3 cents so as to hold the company's price up."

   "The Keeler Creek deal shows the power they (the Libby Mill) have; they went to Washington to get this straightened out."

   "This is a one-horse town, the company has it all."

   Under the proposed agreement, "The big operator who could best stand competition would be protected while the little fellows would be left to fight among themselves for the little bit that was left."

   "The small fellow gets only the poor chances, the better ones go to the company."

   "We have to pay more for stumpage" than the Libby Mill.

   "Because we can't sell timber outside the State (sawlogs from the national forest) we have to take $3 less (from Libby Mill) than if we could ship to Idaho."

"A competitor wouldn't stand a chance when they (the Libby Mill) own the power plant and control the bank."

2. Criticism of the operation of the Libby Mill.

This type of comment was recorded 32 times. Typical remarks are:
"They are hard to deal with on wages."
"The company would do anything for you but raise your pay."
"All the good jobs go to the friends or kids of the people in the office."
"The company is interested only in making money."
"They are always sparring for an advantage" (in labor negotiations).
"They overworked us (labor) during the depression by making us put in an hour a day we didn't get paid for."
"They are against the little gyppo."
"They used to slash this timber; they still waste a lot of it."
"The sustained yield slogan is used to cover up poor cutting like taking out the undersized pine."

3. An operator who has a monopoly naturally has undue influence in the social and economic life of the community.

Opinions indicating this point of view were expressed 32 times. Typical statements are:
"This is a one-company town and they try to get a corner on everything."
"The company is too powerful to be bucked."
"They have increased power here." Relates acquisition of power plant, etc.
"They can always sway friends on the school board."
"Just before the election they called the union officials to a meeting and asked them to vote for ______."
"They don't control politics but they do exert pressure at times."
"They have influence in the State capital." Also a U. S. senator "comes here to see them."
"The company has a tie-up with the Great Northern so no one else can load timber here (Libby)."
"A doctor wouldn't stand a chance in Libby if he didn't have the backing of the company's insurance system."
"We people in Troy can speak out; we have nothing to lose, but Libby people have to watch what they say." (In reference to the public hearings on the proposed cooperative agreement.)
Men who work at the mill "won't open up and tell you much ... they are afraid to say anything for fear they will lose their jobs."

4. With only one operator in the area labor is placed at a disadvantage.

This type of opinion was recorded 30 times. Typical expressions are:
"Much better for the laboring man if there were at least two companies here instead of one."
"If there in only one company and you get at outs with it; you have a nice home here - you're just out of luck."
"If one company has all this timber tied up they can break a union by a lock-out; the workers have no place else to go for a job."
"The union is not strong enough to make the company do what it should."
"When there was talk of a strike merchants were told (by the mill) not to give credit to strikers."
"I hear if we (labor) go on strike, they'll (the mill management) let us know who is boss."

5. Present forest policy attempts to stabilize one community at the expense of others.

This type of opinion was expressed explicitly 21 times and intimated much more often. Opinion which is both favorable and unfavorable to this condition is presented:

"Troy has more natural resources than any other place in the county, but all are being used outside the community."

"Timber in the Troy area should be cut by Troy men, not by men brought in on dude wagons."

They "kept a match factory out of Troy; it would have employed 80 men 25 years but the company cuts it (the timber) out in 3."

"Troy can't stand in the way of progress; it's no use to try to sustain that town as they have no industry."

"People in Troy shouldn't mind moving out; they have lived there long enough to pay for their homes."

"We people in Eureka do not like the idea of sending our timber all the way to Libby to be milled."

Inordinate Privilege in the Industry Given the Large Operator

"This is a monopoly" was the most frequently heard criticism of present forest policy. The traditional arguments condemning monopolies were presented. A typical argument was "It isn't right to freeze the little fellow out." As the national forest is public timber its allotment to only one company is not justified. Chief criticisms that the small operators have of the sale of national forest products are: (1) the small operator is either denied sawlogs or given the poorer chances; (2) stumpage prices are sometimes too high; and (3) minor forest products, such as posts and poles, should not be included in the sawlog sales to the Libby Mill but should be reserved for the small operators.

It is of course true that under the proposed cooperative agreement the Libby Mill will have a monopoly on the supply of sawlogs from the national forest. Indeed this is the case at present even though competitive bidding is still legally in effect. Public Law 273 favors those operators who have large timber holdings and consequently other operators dependent on the national forest are either closed out or greatly limited in size. Proponents of this policy contend that it is the large operator, especially if he is efficient, who has the most to contribute to community stability and thus he should be assured a continuous supply of raw materials and be given an incentive to practice sustained yield forestry on his own lands. This should be done even though it means a monopoly in a given area. In the Libby-Troy area proponents of the present policy would say there are only two alternatives to the proposed agreement - (1) quick liquidation of the remaining private timber or (2) Government ownership of this forest.

Much criticism is leveled at the Forest Service for its sale policy on national forest timber. This policy, it is contended, means that the Government is supporting a monopoly in public timber. In turn this monopoly has become so strong that it greatly influences or even controls the Forest Service.

It is also pointed out that in addition to an assurance of a timber supply the Libby Mill enjoys other advantages over the small fellow such as freight rates and cost of workmen's compensation. Because the mill is able to handle its own compensation system and has a relatively low accident rate, its accident costs are much lower than those of the small operator who because of his inability to handle his own risks must pay 10 percent of his pay roll into the State's workmen's compensation fund. As to freight rates, a differential exists between Libby and Troy in favor of the former on hauls within the State. In addition, it was suggested that other operators might be at a definite disadvantage if they had to purchase their power from a plant owned by the Libby Mill.

Undue Social Influence Results From Such a Monopolistic Position

It is obvious the industry which controls the resource which supplies a community with one-half to two-thirds or more of its basic income has great potential economic and social power. To what extent this power is exercised and whether for good or ill is another question. The pattern of the "company town" in which a community is dependent on one industrial organization not only for its employment but also for all its services is well known. With the growing dominance of the Libby Mill, it is understandable that some persons would be apprehensive of the above pattern being followed in the Libby-Troy area.

The democratic ideal is that the forest should be so managed and timber products so utilized that the best interests of all groups in the community are served. The question is most pertinent as to whether this goal is more likely to be obtained under a monopoly set-up or some other type of industrial organization. When one industry has as dominant a position in a community as the Libby Mill, it is relatively easy for a paternalistic dependent relationship to develop. In such a situation the industrial organization is looked to for leadership in most activities and is given both praise and blame whether it has had any responsibility in the matter or not. This appears to have been the case in the community studied in which the Libby Mill was sometimes given credit (both blame and praise) for certain events in which it apparently had had no part.

Labor Placed at a Disadvantage

The major point in this criticism is that labor would be in a more favorable position if it had greater opportunity for employment - i.e., other operator-employers or the chance for a person to carry on a timber operation alone. This criticism is put pointedly when it is asked: If there is only one operator what is a person to do when he is unable for some reason or other to work for this operator? As one interviewee expressed it, what is to happen to the "4-Fer" (physical or psychological) in the timber industry? By "4-Fer" is meant those persons who are physically unfit to stand high-speed operation or those who are much better satisfied when working for themselves.

Not only would freedom in choosing employment be greater if there were more than one operator but also labor's bargaining power would be enhanced. According to this argument it is to labor's advantage to have at least two employers in the area bidding for its services. Also the position of labor is improved if workers are organized and bargaining is conducted on an industry-wide basis. Contrariwise, the most undesirable situation from the standpoint of organized labor would be to have only one operator in the area and to have either a "company" union or no labor organization.

Stability of One Community Created at the Expense of Others

A community is commonly thought of as the people living in an area to which they regard themselves as belonging. The community area is very often defined in terms of trade and service areas.* Agricultural agencies and rural organizations such as schools and churches are following increasingly the practice of determining community areas before setting up their program as they found it more effective to work in communities rather than across community lines. Such procedure and experience is relevant for the Forest Service in that it is given the responsibility under Public Law 273 to determine community boundaries.

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*See Dwight Sanderson, "Locating the Rural Community," Cornell Extension Bul. 413.

The question naturally follows from the above discussion as to how well the working circles (forest management units) and community areas are correlated. The Libby and Troy working circles appear to be roughly coterminous with the respective community areas, except for the northern portion of the Libby working circle which includes a part of what might be considered the Eureka community area. An indication of this is the overlapping of the Eureka soil conservation district and the Libby working circle. Community boundaries between Libby and Troy are overlooked, however, when the two working circles are combined so that the Libby Mill may be sustained. The Troy area has less than one-half the population and less than one-half of the timber volume found in the Libby area. Of the timber that is left in the Troy area 97 percent is on the national forest.

The conflict between the Libby area, on the one hand, and the Troy and Eureka areas on the other, concerns chiefly if not entirely the utilization of national forest timber. There are at least two justifications for the accusation that Libby is being favored at the expense of the other communities. One is, that timber which people in Troy and Eureka (especially the former) regard to be in their communities is milled in Libby. This manufacturing provides work for persons in the latter place, not for people in the areas in which the timber grows. A second justification for the above accusation is that the Libby industry is the only one for which there is a plan, and being given first consideration in allotting the supply of timber it has a tremendous advantage. A third type of critical comment is: Once the Libby industry is secure from competitive bidding (through the cooperative agreement) in its own community it may go into communities in adjacent counties and national forests and secure timber there, thus depriving these communities of their full supply of raw material.

The criticism that Libby is growing at the expense of Troy may be answered by saying that the early growth of Troy to a considerable extent was the result of temporary railroad and mining expansion, and that Troy has never had a stable timber industry such as Libby. It might also be contended that it is not the function of the Forest Service to set up new industries but only to assist those who are making a real contribution to community stability. According to this point of view, the Libby Mill is the only plant in the area which meets this criterion. The fact remains, however, that a large portion of the basic income in the Troy area comes from the forest and that any serious limitation on this type of income would cause further community decline.

One might admit, as appears to be the case, that one community has been favored over others but maintain that such a policy is justified because it is in the greatest public interest in the long run. According to this argument the best possibility of long-time stability is to combine the resources of Libby and Troy. This point of view is discussed below.

Other Objections

Three other criticisms of present forest policy may be noted. One is that the planning done thus far to insure community stability is inadequate - it is hardly more than a first step. It is naive to assume that merely to insure one plant a source of raw materials will produce the broad social and economic objective - community stability.

A second criticism is that a monopoly is set up without means for its regulation. As the one industry gets larger the ability of other groups in the community to counter-balance this power is weakened. Thus, there is no regulation of the monopoly because the group or groups set up to carry out this function are controlled by the monopoly.

A third type of criticism is of a somewhat different nature. According to this view Public Law 273 further increases the already powerful position of the Forest Service. Added to the fact that the Forest Service controls 70 percent of the timber in the area, it will now be allowed to determine without any checks (such as competitive bidding) who will cut and manufacture this timber.

The Basic Issue

From the standpoint of the community members interviewed, the basic issue with respect to forest policy is not so much one of technical forestry as one of social control and economic reward. The central question is not rapid liquidation of the forest resource versus sustained production but rather concerns the problem of protecting the public interest and distributing equitably the rewards from the forest. In the Libby-Troy community public opinion has changed radically in the last decade or two and no longer condones but frowns upon ruthless exploitation of the forest resource. Although further conservation education is needed the population appears to be, as was shown above, overwhelmingly in favor of the principle of sustained yield in forest management. The pressure for rapid liquidation of the forest is absent because of the large acreage in the national forest and because the other large owner, the Libby Mill, favors a policy of sustained yield management on its own lands.*

To summarize, the chief arguments in favor of present forest policy are: (1) the forest is placed on a sustained yield management basis; (2) an operator who is efficient and progressive, and (3) who has the advantage of size is stabilized; and (4) certain administrative advantages. Major objections are: (1) inordinate power in the timber industry is given one operator; (2) undue social and political influence results from such a monopolistic position; (3) labor is disadvantaged; and (4) one community is favored at the expense of others. It is most significant that arguments favoring present forest policy stress efficiency - industrial and administrative - while unfavorable arguments emphasize discrimination resulting from too much power given one group. The latter indicates that the social implications of forest policy, as well as the agricultural and industrial, need careful consideration.

The above findings suggest the two basic questions raised by this report. One is a question of forest utilization and industrial economics and the other concerns social control and community welfare. The first question may be stated as follows: Assuming the forest is managed on a sustained yield basis, what type of industry, in terms of type of product, size and number of operators, is most likely to survive in the area and to supply continuous and full employment? Also, is only one industrial pattern feasible or are there several possibilities?

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*Factors which have prevented a greater liquidation of the timber resource in Lincoln County are discussed in Appendix D.

The second question is: With a given type of industrial organization, what controls are necessary to insure that the public interest is best served and that the welfare of the whole community is promoted? What role should the operator, the Forest Service, labor, the public have in determining forest policy?

The two major questions stated above must be faced and answered if real progress is to be made toward planning community stability. These questions, especially the second one, are discussed at length in the following section of the report.

VII SOME SUGGESTIONS AS TO FOREST POLICY

Community stability is assumed here as the major long-time objective of forest policy. In this section three aspects of community stability are suggested - the forest, the industrial, and the social - and the present program is evaluated in terms of these approaches. It is emphasized that if one is to plan for the stability of the total community all of these approaches or objectives must be considered. In the present program the forest objective has been given the greatest attention. It is suggested that more information is needed in order to clearly define the industrial objective. Problems involved in reaching the social objective are considered in some detail in a discussion of the respective roles of the public and the Forest Service in determining forest policy.

Desirable Objectives

Certainly one of the major aims of forest policy as stated in Public Law 273 is to promote community stability. This concept is regarded as a broad social objective and as such is not to be obtained by short cuts or magical formulae. According to the use of the term here, community stability indicates a certain degree of permanence and type of social and economic organization in which the "good life" is shared by all. It does not, however, imply a static condition but an orderly and democratic type of change, for one of the few certainties in the modern world is that it will change.

Not only the stability of a given community but also the national welfare should be considered in making forest policy. These two objectives would generally but not necessarily always be compatible. With regard to the national welfare, it is important to realize that the timber drain for the country as a whole exceeds the growth.

Three Types of Objectives

Although community stability may well be stated as a major aim of forest policy, it is helpful to break down this broad goal into more specific and concrete objectives. Three closely related objectives or approaches are suggested here in terms of which the present forest program may be evaluated. These approaches are called the forest objective, the industrial objective and for want of a better term the social objective.

The forest objective may be stated as follows: The timber lands should be so managed that a continuous supply of forest products is available to the industries dependent upon them. To reach this end silvicultural practices to promote forest growth must be carried out, the forest must be protected from fire and disease and cutting must be planned, orderly and selective. These are of course the chief functions of the Forest Service in managing the national forest and a major purpose of the proposed cooperative agreement is to manage the largest private holding in this way also.* There is yet to be worked out, however, ways in which the remaining one-eighth of the forest in the area - State, county and private holdings - may be placed on a sustained yield basis.

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*The study now being conducted on the Kootenai Forest by Professor A. B. Bowman and associates will provide information for reaching, what is termed here, the forest objective.

The Industrial Objective

No matter how plentiful the natural resources if they are not fully utilized within the area they will not make the maximum contribution to the economic stability of the community. According to the industrial objective, the maximum of manufacturing possible, within the limitations of raw materials, production costs and markets, should be promoted so as to offer the highest possible employment in the area. Employment may be at least four to six times as great in an area if finished lumber is produced and there is remanufacturing as if only logging is carried on.*

This objective is based on the assumption that it is highly desirable to add economic strength to the rural communities by industrialization rather than by promoting further concentration in the cities. The term, highest possible employment, implies not only full but also steady employment. It is desirable too that as large a share as possible of the industrial income be distributed to permanent residents of the community rather than to absentee owners and transient labor.

The "Social" Objective

This objective may be stated as follows: Forest policy (in its social or nontechnical aspects) should be democratically determined so that the best interests of all major groups in the community be served and the rewards from the forest be equitably distributed among those dependent upon it. Following from this, a forest program would be expected to support rather than prevent the creation of institutions and traditions that would make the forest community a most desirable place in which to live. The social aspect of forest policy is well stated in the Forest Service Use Book as follows: "All land is to be devoted to its most productive use for the permanent good of the whole people and not for the temporary benefit of individuals or companies ... where conflicting interests must be reconciled, the question will always be decided from the standpoint of the greatest good of the greatest number in the long run.**

Consideration of the social objective and of ways in which it may be realized is a major concern of this report. This objective is more difficult to define but is no less significant than the other two described above. Technically minded administrators, however, may overlook the social aspect in their eagerness to carry out the silvicultural and industrial phases of their program.

The social objective differs from the other two especially in the way in which it is defined. Good forestry and efficient industrial practice are defined by experts in their respective fields but not so with social goals in a democracy. These are determined by the articulate groups in the community as a whole. It is the mass of people who must have the final say as to whether their "best interests are served" or economic "rewards are equitably distributed." By contrast with the purely technical side of the forest program, planning for the people in a forest community means, if this is democratically done, that the public have a part in making these plans. This point of view is elaborated in some detail below in the section on the role of the public in determining forest policy.

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* See E. F. Rapraeger, "Employment Per Unit of Forest Product," Research Note No. 11, Northern Rocky Mountain Forest and Range Experiment Station.

**Pages 14 and 15.

By democratic control or determination is meant that all the major groups in the community should have a voice in deciding forest policy in its broad social and economic aspects. (This of course omits purely technical questions.) If such procedure is followed then some balance is maintained in the power exercised by the various groups - labor, operators, public. It may be an innovation in the utilization of the forest to consider the views of the community as a whole, but an approach of this type is necessary if a community is to be stabilized according to the democratic tradition. Herein lies a challenge: Can the public, labor, industry and Government plan together for the common welfare?

Integration of the Three Approaches Needed

That there can be no industrial or institutional stability without wise management of the forest is obvious. Good forestry is a cornerstone of community stability but it is only a part of the answer. It is quite possible for high efficiency to be reached in agricultural and industrial production and still have the social objectives recommended in this report denied - witness the situation in two of the totalitarian countries who were our enemies in this last war. If care is not taken efficiency of production may be made prior to the rights of people. The ideal would be an integration of the suggested objectives of forest policy so that no one of them was sacrificed to the others.

As might be expected, in present forest planning the so-called forest objective has been given extensive consideration. The industrial objective has been given some attention but as is suggested below more study is needed. The least concern, the writers of this report feel, has been paid the social objective. It is, however, the purpose of this report to give this type of emphasis.

Planning for the Total Community

In recent years the term, planning, has had obnoxious inferences for some persons. The word is used here in a perfectly neutral sense, meaning simply the adjustment of means to ends. Three ends or objectives were suggested above. The question is: What types of programs and activity will most effectively reach these goals?

The Forest Service has at least two possible courses of action under Public Law 273: (1) its responsibility and activity may cease with the integration of the national forest and the holdings of a large operator into one management unit (the forest aspect), or (2) it may take leadership in planning the industrial and social aspects of community stability. The position is taken here that planning for community stability is much broader than assuring one company the necessary raw materials; this is just the first step.

The two first questions to ask in any specific planning are: "Who is to do it?" and "For whom is it being done?" The democratic assumption is that if the best interests of the whole community are to be realized, there must be widespread participation in the planning.

Thus, the answer to the question, "How can public support be gained for a given forest program?" is, to allow the major groups in the community a part in the planning so they will feel that their interests are being served.

Troy Must Be Considered

If the planning is done for the total community then the Troy as well as the Libby area must be taken into consideration. The cooperative agreement of necessity focuses attention on Libby. What timber industries, if any, are to be centered in Troy is yet to be worked out. Herein lies the basis for the criticism that there has been discrimination against Troy: A program for stabilizing the timber industry at Troy has not been considered simultaneously with the plan for Libby.

As has been the case in the forest program, in both social and industrial planning, the Libby and Troy areas should be regarded as one community. Therefore, the Troy and Libby portions of the community ought to be considered at the same time. Whether Troy rises or declines relative to Libby depends on at least two considerations. First, what types of industrial organization - type of manufactures, number of operators, etc. - are likely to survive in the area? If only the one large operator with the whole plant centered in one locality is feasible, then Troy of necessity will probably continue to decline. Whereas, on the other hand, if a stable timber industry for Troy were possible, the locality will likely either hold its own or show a moderate increase in population and wealth.

A second consideration is that a community needs a minimum of population and wealth to support certain services and organizations (medical services, newspaper, high school, etc.) which enrich and make more desirable living in the area. Thus if the distance between Troy and Libby interferes with the support of these services, it might be desirable if the population were further concentrated in Libby and vicinity. The crucial factor, however, is the industrial one. If no stable timber industry locates in Troy, the center will probably continue to lose in population and services. Such readjustments may follow in time as closing the Troy High School and transporting the students to Libby.

The Libby Mill and Other Operators

There is no question but what the Libby Mill as an industrial unit must be seen as an essential part of any stable economy in the area. The efficient operation of this plant is most laudable. On these points community opinion is unanimous. Issues arise, however, with respect to the proportion of national forest timber to be sold the Libby Mill without competitive bidding, and what controls need to be set up with respect to the mill and all other operators in order to protect the public interest.

The crucial factor in determining the number of timber operators is the number, type and size of plants and operators that are most likely to survive and to contribute to a stable economy. This factor is discussed in some detail below. Assuming likelihood of survival, there are several reasons why a number of operators would be more desirable than only one. One, it would spread the risk of bad managerial judgment and place the success or failure of the whole timber industry on more than one managerial group. Two, assuming a timber supply from the national forest is assured for a period of time, the competition among several operators might increase efficiency over what it would be if there were only one. Three, there would be more managerial positions, especially if there were a number of small operators. This would be exceedingly desirable from the standpoint of some persons, especially youth, who complain "There is no opportunity for advancement - nothing to do here but work for somebody else." Four, if there were several operators in the area the controls set up to protect the public interest might not need to be so strong, at least they would be of a different type than if there were one large operator.

Who Should Do the Planning?

This is discussed in some detail below. But suffice to say here that it is desirable for groups other than the Forest Service and the Libby Mill to have a greater voice in determining forest policy (the nontechnical aspects) than has been the case in the past.

A More Comprehensive Plan Recommended

If community stability in its fullest sense is to be realized, other phases of the forest program, than the purely forest management aspect, must be given much greater consideration. Therefore, it is recommended that no attempt be made to put the proposed cooperative agreement between the Libby Mill and the Forest Service into effect until the "industrial" and "social" aspects of the total forest program are worked out much more in detail. What is meant by "working out more in detail" is stated explicitly below. But this procedure means among other things that all interested groups in the community should be urged to discuss the forest program fully and freely in all its aspects and that those responsible for the final formulation of forest policy should have the benefit of this discussion.

If further study and discussion is carried on as recommended, it would be at least several months and perhaps a year or so before a definite forest program such as the cooperative agreement in its present or in a modified form could be proposed and put into effect.

Alternatives to, or Modifications of the Present Program As Suggested by Community Members

It may be well to begin a discussion of the industrial phase of the forest program by presenting the views of interested community members on the subject. This discussion reflects especially the opinion of the small operators* - actual and potential - as they were the most concerned in changing the present program.

Sale of Sawlogs

Small operators were unanimous in their opinion that loggers and plants other than the Libby Mill should receive a higher proportion of the sawlogs cut from the national forest. There was, however, a greater variety of opinion as to how this could be accomplished. Some had no more specific suggestion than "it looks as if there could be several small mills located elsewhere in the county."

One proposal was that the Libby Mill be allowed not a given volume of national forest timber but a certain proportion. The proportions suggested ranged from two-fifths to four-fifths of the total - the remainder being sold to operators other than the Libby Mill. The justification for this proposal was that the mill as well as the other potential users of national forest timber should take the risks of fire, disease, and over-estimates of timber volume.

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*Some closely related suggestions of certain outsiders - Forest Service personnel and others - are also presented here.

Another suggestion was that more tracts of representative timber not exceeding 2,000 M to 3,000 M feet be offered for sale so the small operators would have a better opportunity of securing national forest timber. The feeling was widespread that the small operator was being given the role of the scavenger by the Forest Service. That is, he was sold only the sawlog timber that was uneconomical for the large operator to log.

Limitations on competitive bidding or whether it should be ruled out all together was a most debatable issue. The majority were in favor of some limitation on competitive bidding, yet a few persons proposed that even the present limitation, that sawlogs cut from the national forest be sawed in a given area, be lifted. One suggestion was that timber be sold by competitive bidding but that a limitation be set on the amount that could be purchased by any one buyer over a period of time (possibly 1 to 5 years).

A few persons suggested that competitive bidding be ruled out all together on sawlog sales and that a Federal unit on sawlogs be set up in Troy to parallel the cooperative unit* at Libby.

Sale of Minor Forest Products

The small operators were unanimous in the opinion that all minor products - poles, posts and pulpwood - be excluded in the timber sales to the Libby Mill. That this was not done at the present time was a major criticism of the Forest Service sales policy. The minor forest products it was contended should be sold directly to the operator (company or individual) who logs them; the buyer of the sawlogs should not be allowed a speculative profit on them, in some cases possibly enough to build the roads for taking out the sawlogs. One proposal was made that the cedar products be taken out well in advance of the sawlogs.

This raises the question as to who is to construct the roads. On this point there was widespread agreement that the public, i.e., the Forest Service or some other agency, would have to build the roads in the areas in which the small operator was to log.

Plans for Troy

Many suggestions were made as to possible industries for Troy. These included (1) a planer which would service the small sawmills, (2) a novelty factory, (3) a small mill using chiefly pine but having extensive remanufacturing, (4) expanded pole and post yards and a treating tank, (5) a large sawmill, and (6) a pulp mill.

Although most persons who suggested a radical change in the present forest program regarded the small sawmill as desirable, some did not. One proposal was to set up a Federal unit at Troy on both sawlogs and minor forest products. A mill would be erected which would saw 20 to 30 MM feet annually; with this volume it could perhaps have an inventory and maintain a sales force that would get its products beyond the local market. The proponents of this plan reasoned that the Libby Mill could be stabilized at 45 to 50 MM feet (above its average cut prior to 1940) and there would still be enough sawlogs left for a new mill at Troy, providing that a proper distribution of pine could be worked out. Under this plan the "working circles" for the Troy and Libby industries would overlap.

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*In a Federal unit the national forest timber is made available to the industries of the dependent community.

Another point of view was that Troy would probably have to be content as a minor forest products center together with a few small sawmills. A Federal unit should, however, be set up for the minor forest products industry at Troy in order to insure it a timber supply. Now that there is a huge unmet demand for poles the Troy area should take this opportunity to greatly expand its production. There was agreement that the industry at Troy should not have the same owner as the one at Libby, so that one unit would not be favored at the expense of the other.

Some Unanswered Questions on the Forest Industry

As stated above, one of the two basic questions raised by this report concerns the type of timber industry most likely to survive and to supply continuous and full employment. This is a problem in forest utilization and industrial economics and demands attention from experts in those fields. The attempt here is merely to point out some of the information that appears to be needed and the type of questions that should be answered if an adequate industrial plan is to be formulated.

Type of Operation

In determining the industrial pattern most likely to survive in the area, rather detailed information is needed on three factors - raw materials available, production costs and markets. Extensive data are on hand with respect to the first-named item. With regard to costs, such questions as the following should be answered: What size and combination of enterprises would yield the lowest unit costs? At what volumes of production are the critical differences in costs found? For example, in a sawmill the critical point in costs appears when a band saw is employed instead of a circular saw. Concerning effective combination of enterprises, it has been estimated that a pole operation in connection with a plant utilizing wastes might have an advantage of 50 cents a pole over the operation in which this was not the case. Furthermore, a plant set up for treating poles might very profitably treat lumber also - thus a pole operation in conjunction with a sawmill.

A determination of the most feasible industrial pattern for the area would of necessity entail a critical examination of the place of the small operator. Is there, for example, any field in which the small operator can produce as efficiently as the large one? (See Appendix C on the comparison of small and large mills.) As selling his product is a major problem of the small operator, what are the possibilities of cooperative marketing? Could the small producer of poles sell direct to the REA cooperatives? Is it possible for the Forest Service to assist timber operators, especially the smaller ones, as farmers have been aided by various agricultural agencies? Can timber operation be tied in profitably with part-time farming? These are the types of questions which must be answered before a judgment can be made on the place (if any) of the small operator in the forest economy.

Other Questions

Working out an industrial plan raises many questions in the field of timber management; among these are the type of timber sale, the ownership of timber land and the construction of roads.

The type of sale is regarded here as merely a means to an end, and the end is a progressive, efficient and stable timber industry. The advantages of competitive bidding are seen most clearly in an area in which the less efficient operators are weeded out when the more efficient ones outbid them for the available timber. Timber sales on a competitive basis appear to work to a disadvantage in a situation in which an efficient operator is prevented from making desirable long-time investments in a plant because of the uncertainty of the timber supply.

If competitive bidding is ruled out, the Forest Service assumes a very real responsibility in allocating the timber supply so that the greatest stability for the area will be realized. The position is taken here that this action on the part of the Forest Service further obligates it to take leadership in industrial and social planning relating to the forest. If these latter steps are not taken the ultimate goal, community stability, may never be realized. Allocating the timber supply is a most important activity in the whole process of forest planning, but it may have little positive value if used alone.

There is question as to whether the private owner can profitably grow timber in an area such as Lincoln County. If he cannot, is the most desirable type of subsidy the assurance of national forest timber without competitive bidding? For in effect this assurance is a type of a subsidy. The operator is supposed to make enough extra profit in manufacturing an assured volume of national forest timber to enable him to stand any losses involved in growing his own timber. Would not a direct subsidy to the timber owner, such as is followed in agriculture for following soil building practices, or public ownership, be more desirable than the procedure made possible by Public Law 273? The latter plan, however, may be politically and administratively more feasible, at least until the public has expressed its willingness "to pay for" growing a crop of timber.

The Creation of an Industrial Plan Recommended

It was stated above that one of the two basic questions raised by this report was: What type of industry, in terms of type of product, size and number of operators, is most likely to survive in the area and to supply continuous and full employment? Also, is only one industrial pattern feasible or are there several possibilities? Many assumptions and inferences have been made with respect to answers to this question. What is needed are specific proposals buttressed with all the available facts. In order to give some answer to the above question it is recommended that the industrial pattern or patterns most likely to survive in the area be determined and this information be made available to the public. This report should be widely circulated and discussed in the community. Until the information asked for above is obtained, no decision should be made as to a cooperative unit, a Federal unit, the volume of national forest timber allocated the Libby Mill and related questions.

Making an industrial plan for the area would be chiefly the responsibility of the Forest Service. Much of the data needed in determining such a plan is no doubt already available but it needs to be brought together and organized. This report might well consider a number of industrial patterns, those which would likely contribute to community stability and those which would not. Any industrial plan must, of course, be based on sustained yield forest management and should be formulated with the social aspect and implications of the forest program in mind.

A discussion of the industrial possibilities in the area might also include a consideration of other types of income from the forest such as Forest Service employment, trapping fur-bearing animals and the production of huckleberries.

The Role of the Public in Determining Forest Policy

It was stated above that the opinion survey presented in this report raised two basic questions. One concerned the most feasible industrial pattern for the area and was discussed above. The other question dealt with how the major groups in the community - organized labor, Forest Service, etc. - can work together in determining forest policy so that the public interest is served and community welfare promoted. This question is discussed in this and the following section.

Need for Public Participation

In recent years forest policy in the Libby-Troy community appears to have been determined very largely by the Forest Service and the Libby Mill. As described above there has been much public criticism of this condition and the suggestion has been made that other groups should have a part in determining policy. Possibly the best way to get public support for the forest program is to let the public have a part in formulating it. Certainly the management of a natural resource which provides two-thirds or more of the basic income of an area should be of real public concern.

The principle of checks and balances as related to the distribution of social and economic power is accepted here.* This means that all the major groups in the community - labor, the operators, the Forest Service and the public (everyone not included in the first three groups) - must have a voice in determining policy if the best interests of all are to be served. From this point of view, a major criticism of Public Law 273 would be that it makes possible the concentration of economic power but is silent concerning controls that might be needed to safeguard the public interests. The cooperative agreement strengthens the position of a given operator, but what is the assurance that the public benefits are likewise increased?

Means, procedures should be found for obtaining consensus among the major groups in the community. This must be done if the opening question of this report, "Can the public, labor, industry and Government plan together for the common welfare?" is to be answered in the affirmative.

Gaining and maintaining consensus is a continuous process - an agreement on forest policy cannot be reached that would stand indefinitely as the situation is constantly changing and new problems are arising.

Type of Public Representation

Although it is strongly recommended that the public have more voice in shaping forest policy, no blueprint as to organization and procedures can be given. These must be experimented with and worked out in the local community. A type of organization which is highly suggestive are the committees in central Montana which advise in the management of the national forest. These committees are comprised of persons of varied and sometimes conflicting interests, such as game versus livestock. The soil conservation set-up and other agricultural programs offer additional suggestions as to type of organization.

A public committee to assist in determining forest policy might have both advisory and educational functions. As representative of the community it would advise the operators and the Forest Service as to how the public interest might be best served. In turn it might inform the public as to some of the details of the forest program.

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*A British political leader, Lord Acton, stated a number of years ago, "Power corrupts and absolute power corrupts absolutely." This may apply to the local community as well as at the national and international level.

In the present situation such a committee would be purely advisory and have no legal authority. In order for a committee of this type to be created and to be effective it would have to have the full support of the Forest Service. Otherwise any efforts in this direction would be of little if any value. An advisory committee could be of real value to the Forest Service in that it could provide organized contact between the latter group and the various segments of the community.

Whether a public committee would need legal authority would depend on the organization of the timber industry and the ability of the committee to exert its will informally. If the entire timber industry was in one operation a committee representing the public would very likely need more power than if there were a number of operators. In the former case a major function of the committee might be regulation while in the latter case coordination.

The decisions of an advisory committee should be publicized and when there is not unanimous agreement on a question there should be a minority as well as a majority report. Probably at least one of the meetings of this committee during a year might be a public meeting. Such a meeting might include a forum and/or recreational activities.

Composition of the Committee

A public committee to advise on forest policy should be representative of the major groups in the community. There should probably be one or more members from each of the following groups: organized labor, the one large operator, the small operators, the Forest Service, farmers, businessmen (other than timber operators), and the professions - possibly a teacher and a minister. The committee should be chosen with geographic as well as occupational representation in mind. Thus the Troy area should be adequately represented.

Ten to twenty members might well be the most desirable size of the committee. This would be large enough for adequate representation of all important segments of the community and still small enough to be a discussion and conference group. The chairman of the committee should be well informed but one who has a relatively neutral position with respect to present issues. Consequently, he would probably be one of the public members - not a member of organized labor, the Forest Service or one of the operators.

Representatives on the committee representing the labor unions, the Forest Service and the large operator could be selected by their respective groups. Public representatives could either be appointed or elected at a public meeting. Probably the former procedure would be the most feasible at the beginning. The Forest Service very likely would have to take the initiative in organizing an advisory committee.

A real problem in selecting public members for such a committee would be in finding persons who were relatively well informed and objective and at the same time willing to express their frank opinions on controversial questions. Would a public school teacher, a minister, or a businessman, for example, feel free to express his opinion if it were critical of either organized labor or the large operator? It is hoped that the public representatives would feel free to express themselves but whether they would or not, would depend to some extent on the tolerance and community-mindedness of organized labor and the large operator.

Widespread Study of Forest Policy Desirable

A civic group, the Troy Development Association, formed in the late summer of 1945, has paid considerable attention to the forest program in the Troy area. This group has consulted with the Forest Service and suggested that a Federal unit be set up in the Troy area. In Libby, the Lincoln County Library has sponsored several round-table discussion meetings on the forest program. Although this activity has taken place more extensive study of the problems and issues involved is highly desirable. Study groups should focus attention on the value of an advisory committee as suggested above and on its functions, selection and composition. Not only in study groups but also through the newspaper and leaflets the facts and issues with respect to the present forest program should be presented.

Public Hearings on the Proposed Cooperative Agreement

Hearings on a proposal to create a cooperative forest management unit (combining Libby Mill and national forest lands) are planned for the near future. It appears highly desirable to provide opportunity so that arguments for and against the above plan may be formally presented. Public hearings would allow the organized support and opposition to the above program to present their cases. But the latent and less articulate support or opposition to this program - opinion of a great portion of the population - is also extremely important if one wishes the whole picture; this opinion, however, is not likely to be registered at a public hearing.

As was stated above the writers of this report believe that the spring of 1946 is too early to make a final decision on the cooperative agreement.*
Both more information (of the type indicated above) and more discussion are needed.

What Problems Are of Public Concern?

This is a most pertinent question to ask with respect to the type of problems that should be considered by an advisory committee on forest policy. Certainly such technical questions, as the best procedures of fire and disease control or the most efficient logging methods, would be none of its concern. An advisory committee would consider the social, not technical questions, relating to the forest program. That is, this committee would concern itself with the relative rights, interests and responsibilities of the various groups with respect to the forest.

Significant questions of this type are: Does the present forest program discriminate against certain groups in the community, and if so, can these inequalities be alleviated or removed? Should a timber operator who is sold national forest timber without competitive bidding engage in other businesses in the community? A public committee on forest policy would certainly be vitally interested in preventing management-labor conflict such as the strike beginning in the fall of 1945. In this case the committee would want to learn the facts, give them wide publicity and very likely make recommendations as to the settlement of the dispute.

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*Since this report was written, the public hearing has been postponed until a later date.

It goes without saying that the strike of 1945 has resulted in very real losses to the community. Losses that areas as dependent on the timber industry as Libby and Troy can ill afford to bear. Consequently, it would appear to be a matter of great public concern to study more carefully methods to prevent locally originating conflict. Thus, some future labor-management differences may be settled equitably and without resort to work stoppages - strikes or lock-outs.

What the Public Should Expect of Timber Operators

If the forest community is to be stabilized according to the democratic tradition, what must be the role of the timber operators? Four suggestions are made here as to the type of role that the community should ask the operators to follow.

1. An operator must be aware of his public responsibility and regard his power a public trust. Gone are days of the "rugged-individualist" type of operator who exploited the Nation's forest and who had too little concern for either men or forest. If an operator is allocated national forest timber without competitive bidding and is the only or dominant one in an area he should regard his industry much as a "public utility."

2. An operator should not use the power he may happen to have in the timber industry to influence unduly other aspects - social, political, etc. - of community life. The community should expect a socially sensitive and community-minded operator - one who attempts to assist not dominate.

3. The community should expect operators to be efficient producers, maintaining steady employment and increasing employment by new operations whenever possible.

4. Operators should be expected to do all in their power to maintain satisfactory labor-management relations. Operators should be favored who have "good" labor records, and who experiment in new methods of creating labor-management unity such as councils, profit-sharing and the like.

What the Public Should Expect of Organized Labor

Just as the operators have public obligations so does the other major group in the timber industry - organized labor. Four things are suggested that the community should expect of labor.

1. Strong and democratically controlled unions should be strongly desired by the public. Strong in the sense that the members have high allegiance to the best in unionism and will stand together and demand that they receive an equitable share of the returns from the forest.

2. Just as social responsibility and vision are expected of the operators they should also be asked of organized labor. Labor needs to be aware of its social responsibility in community affairs and possess information and concern so it can take an intelligent stand with regard to the forest program. Organized labor's weakness in this respect in the Libby-Troy area was criticized by persons both within and outside the unions.

3. Labor should have a strong interest in efficient production because only in this way can the highest wages be made. Organized labor's lack of interest in the Libby-Troy area in efficient production was also a criticism given by both labor members and outsiders.

4. The community should also expect labor to do all it can to maintain satisfactory relations with management. Labor should have sufficient knowledge of the profits of an industry so its demands are in keeping with ability to pay. Just as wages should be expected to rise with increased prices for timber products, so they might be expected to fall with declining prices. In determining ability to pay the demand might be made "to open the books." This is a type of problem that would be of concern to an advisory committee on forest policy.

Recommended That the Public Have a Definite Part in Determining Policy

It is recommended that ways be experimented with and studied by which the public would have a greater voice in determining forest policy. This recommendation should be carried out immediately. Problems are constantly arising in relation to the forest program concerning which all major groups - the public, labor, the operators, and the Forest Service - should have a voice. How is a consensus among these groups to be democratically determined? How is a power balance to be maintained among them so that the common good is realized? These are the central questions on the social aspects of the forest program - they indicate the "social" approach (as described above) to community stability. Some tentative answers have been given these questions but much more study and experimentation are needed.

The Role of the Forest Service

The Forest Service has the key position in any program of timber management and utilization which has community stabilization as its major social objective. Traditionally the major function of the Forest Service has been to manage the federally owned timber lands. But another and important role (implied in Public Law 273) has been thrust upon this organization - that of leadership in forming public policies as related to the forest. In carrying out this function the Forest Service at various times must assume the roles of leader, expert, educator, arbiter, and protector of the public interest. Some problems involved in performing this public service function are considered below.

Both Leader and Expert

In planning a public program it is worth while to distinguish between the role of the leader and the role of the expert. The expert is a specialist, one who has extensive knowledge in a given field and need not be a member of the group he advises. The group leader, on the other hand, is a vital part of the group and one who is conscious of the needs and desires of his followers, and who points the way with respect to future action. Thus, it may be said that as an expert the Forest Service informs the public, as a leader it works with the public on the same level. In the management of the national forests, foresters are regarded as experts. To effectively carry out the technical aspects of this job they need not be community members but may be outsiders.

The forest and industrial objectives or aspects of forest policy, as pointed out above, may be defined and carried out by experts but not so with the social objectives - the definition of relative rights, rewards and responsibilities of the various groups. The determination of this latter goal is a group, a community task. This is a task in which the Forest Service will have to play a leading part if community stability is to be realized. That foresters are becoming aware of the above task is indicated by the comment of one of them to the effect that his most difficult job was not managing the forest but "planning for people."

That foresters may still be inclined, however, to approach the public as experts who have the answers rather than as leaders who are helping to search for the answers is indicated by the comment of several community members. The gist of this criticism was that although the Forest Service was a public agency it was too much aloof from the people, not sufficiently sensitive to their needs. An one interviewee elaborated, this is in contrast to the relationship that elected officials have with the public.

Protector of the Public Interest

The Forest Service is in a better position that either management or labor to have a community-wide point of view because its financial interest is not as immediate. The Forest Service likewise has more power, as manager of three-fourths of the forest land and as administrator of the (proposed) sustained yield unit or units, than has any other group. Persons who fear that if there is only one operator in the Libby-Troy area he may gain too much power look to the Forest Service to maintain a balance and to protect the public interest.

Consequently, it is most unfortunate that the belief should be widespread that the Forest Service is dominated, or at least unduly influenced, by the one large operator in the area. To prevent any false interpretation of policy it is necessary that the Forest Service keep its case constantly before the public and that it keep sensitive to the community's needs and definition of its role. A strong, representative forest committee, as described above, could go a long way in meeting the above need.

Maintaining Close Public Contact

In carrying out social and economic planning as it relates to the forest, the Forest Service plays the two roles described above, that of expert and leader. The expert contributes technical information on forest management and utilization; the leader attempts to assure all groups a voice in determining policy and that some consensus is reached. But how, one may ask, is an administrator to know in what direction to move in order to gain public support? How is the Forest Service to improve its relation with the groups who at present disapprove of its policy?

In a sense this report has been an attempt to answer these questions. Five techniques or types of community contacts, however, may be mentioned for maintaining close public contact. (1) The advisory committee, which has been described in some detail, could well serve as a formal liaison between various segments of the community and the Forest Service. (2) The professional contacts of foresters, such as selling timber, granting use permits and the like, have real public relations value. (3) The personal contacts of foresters as community members are also important. Thus for this reason there is a value in having as Forest Service personnel, not outsiders, but persons who participate widely in community life. (4) The traditional educational media, such as leaflets, newspaper publicity, lectures and movies, are indispensable in maintaining contact with the public. (5) Inasmuch as the above "educational" devices allow only one-way communication - Forest Service to public - it is helpful at times to make a special effort to obtain the public's point of view. This may be done by opinion surveys and by the use of persons skilled in sensing public reaction. This skill, administrators would do well to acquire, for any action program will meet continuous praise and blame. An analysis of public reaction in order to determine what is significant (in light of the objectives of the program) and what is not, is all important.

Training Needed for Public Service Function

A study has been made within the last several years of foresters' interests, by Professor Strong of Stanford University. The findings revealed that foresters were more likely to be interested in "things" than in people - their interests were more nearly that of the farmer (the agriculturalist) than the educator or an administrator who is in continuous contact with the public. From these findings and like observations of others it would appear that special training is needed for foresters who are to carry out the public service function: academic training for forestry students and in-Service training for active foresters. Selected courses in the social sciences and experience in public administration and community leadership would be desirable. Courses would be most useful which would focus attention on organizational techniques and procedures, leadership, opinion analysis and the arts of public service administration. Short courses in these fields and workshops on actual situations, e.g., problems of the Forest Service in Lincoln County at the present time, should be provided for foresters in active service.

The Forest Service might well have a specialist who would focus his attention on public administration and on the social implications of forest programs. Such a person could, among other things, assist in analyzing the various forest programs and in informing foresters as to their public service functions.

Extension Forestry

A public service which the Forest Service should consider expanding is the rendering of technical assistance to timber operators. Limited assistance is now given timber products manufacturers through the forest utilization section of the Forest Service. A much greater amount of service of this and a related nature is needed for small operators. That is, if the industrial pattern includes successful small operators.

The small operator should be taught to produce efficiently in the fields in which small-scale operation is feasible. See Appendix C. Also, attention should be paid to the possibility of profitably combining work in the timber and part-time farming. Organization of small operators is needed in marketing. Cooperative marketing might be experimented with in regard to Christmas trees and perhaps posts and poles. Perhaps contacts could be made with consumer cooperatives in selling the latter two products.

An extension forester might also take part in planning and promoting recreation in the area.

The Forest Service as Employer

No discussion of the relation of the forest to community stability would be complete without pointing out the implications of Forest Service employment. The number of persons employed by the Forest Service has an extreme seasonal variation. The range is from 25 to 30 persons in midwinter to ten times this number in midsummer. The employment for only a short period, during the fire season, of a large number of men is unavoidable. The question may be asked, however, if other types of work than fire control could be planned so as to increase the number of persons employed at least 9 or 10 months out of the year? And could these men, if satisfactory, be given permanent tenure? Perhaps part-time farming, at least "a rural home," might be integrated with this type of Forest Service employment, especially in the case where there are other members of the family to assist when work is at a peak in the summer.

Recommend That Increased Attention Be Paid to Planning

It is recommended that increased attention be paid to the role of the Forest Service in planning for community stability and related public service functions associated with the management of the forest. This implies study of specific techniques and procedures to use in carrying out this role and the training (both academic and in-Service) of personnel, who are to perform this function.

Forestry Education

In considering the problem of education, three questions may be asked: (1) What groups most need information? (2) How should they be reached? (3) What should be the content of the program? As was shown above in table 5 some groups in the Libby-Troy area are much more favorable to the way the national forest is managed than are others. Business and professional families in Libby were strongest in their support of the management of the national forest while the open-country families in the Troy area and the loggers were most critical of this program. Some of this unfavorable reaction may be explained by opposition to the policy followed with respect to the sale of national forest timber, but not all. Some of the unfavorable reaction and much of the undecided opinion is probably a result of misunderstanding and a lack of information of, and contact with, the Forest Service program. Thus, some indication has been given above as to where forestry education is most needed.

As to educational procedures some suggestions were given above in describing ways of maintaining contact with the public.

Types of Information Needed

As a basis for a consideration of the content of an educational program, several types of information needed are suggested. (1) There is the fire prevention and forest conservation field which has been most highly developed as far as literature and propaganda material is concerned. Fire prevention and control is the best-known function of the Forest Service and some people wonder if it does little else. The disease control program is not so well known and a number of people appear to doubt its value. (2) Simple facts are needed as to the economics and functions of national forest management. How much such information should be disseminated is revealed by comments of persons of high community standing, that "the forest should live within its means like private timber owners do" and that "the county would get more taxes if all the forest were privately owned." (3) The public should probably also be better informed as to the function of Forest Service in game management and in the promotion of recreation. Comments were heard both favorable and unfavorable as to the activity and responsibility of the Forest Service in these areas. (4) Finally, facts and points of view on problems raised by this report - forest utilization and public control and participation in relation to the forest - should be disseminated extensively and this should be done as soon as possible.*

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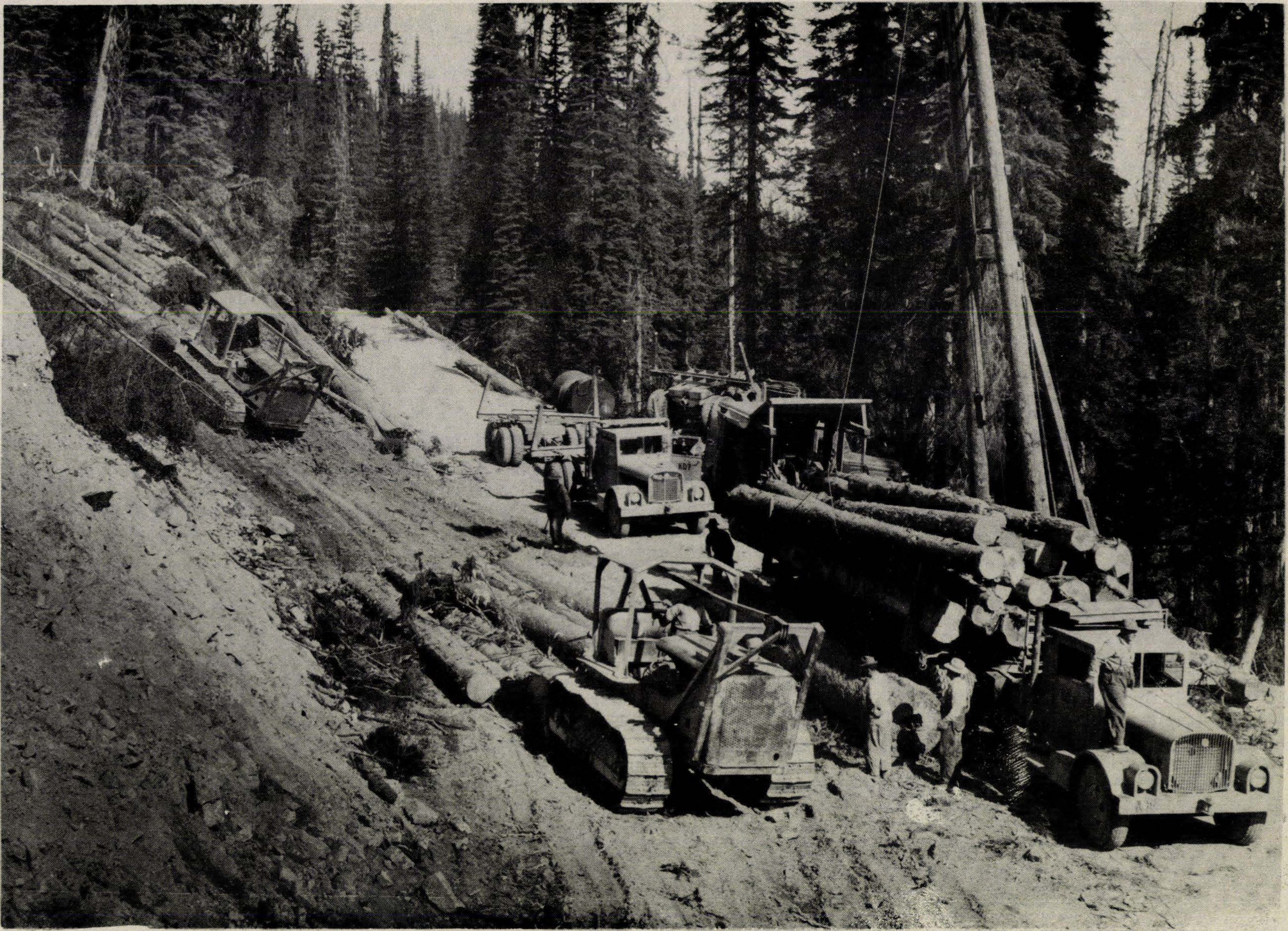
*An entire study might well be devoted to the problem of the last two sections - the public service role of the Forest Service including its educational function. All that time would allow in this report was to consider briefly some of the more obvious and pertinent questions.



On the job in Lincoln County - photo by K. D. Swan

Part Three

SUMMARY OF FINDINGS AND RECOMMENDATIONS

VIII POINTS AND PROJECTS TO CONSIDER

The major aim of this reconnaissance study of a forest community - the Libby-Troy area of Lincoln County, Montana - has been to explore ways and means by which its economy may be stabilized and its life enriched. The first part of the report has been concerned with a presentation of an over-all picture of the community and of its problems and possibilities. The latter portion of the report has been an analysis of present forest management and utilization policies from the standpoint of their contribution to community stability. Considerable attention is paid to the forest and forest industries because it is the major source of income in the area. The Libby-Troy area has probably the largest acreage of commercial timber of any community in the State.

The Community

In 1940 over 5,000 persons lived in the Libby-Troy community, over 1,800 in the county-seat town of Libby and nearly 800 in the town of Troy. Five-sixths of the total population resided either in or relatively near these two centers.

Possibly two-thirds or more of the basic income of the area comes from the forest. The forest furnishes livelihood for persons employed in sawmills and wood remanufacturing plants, in logging and in the Forest Service. Other major sources of employment, but far below the forest in importance, are agriculture, the Great Northern Railroad and mining. Agriculture in the area is limited because of soil, climate and topography. Sale of beef cattle is the major source of cash income for farmers.

Indications of both stability and instability are found in the community. Signs of stability are found in the civic organizations, schools and churches with a long history, in the attractive and well-built courthouse and city hall located in Libby, and in some substantial and attractive homes. Indices of instability are the temporary business structures, unkept streets and sidewalks and the many rather hastily constructed dwellings. Also, the point of view of many persons reflects this uncertainty when they say, "You can't expect too much from a sawmill town."

Libby shows greater economic prosperity than Troy largely because it has the two largest and most stable industries in the community - the Libby Mill* and the Zonolite mining operation. The former employs approximately 500 to 600 persons at full capacity and the latter approximately 50 to 60. The population of Libby and probably its economic activity also has continued to increase over the years. Each decennial census beginning with 1910 shows a definite increase in the population in Libby and vicinity. On the other hand, Troy reached its zenith in industrial activity in the late twenties when it was a division point on the railroad, had a medium-sized sawmill and had some mining. Since then these sources of employment have either decidedly declined or disappeared entirely.

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*The Libby Mill is owned and operated by the J. Neils Lumber Company.

Some Problems and Possibilities

Many forces and activities in the area are contributing to a more stable community. Some of these have been noted. Yet many real problems remain to be faced and solved. Here is a need for trained leadership with vision, for widespread participation on the part of all groups and for cooperative action toward common ends.

The possible projects and programs which might be considered as promoting community stability are manifold. Attention is focused, however, on ten strategic areas of community life - physical, economic and social. These are:

1. Development of a stable timber industry and one that has all possible remanufacturing.
2. Practice of sustained yield forestry on timber lands and wise use of other natural resources.
3. Promoting greater public participation in determining forest policy.
4. Creation of a more diversified and balanced economy.
5. Securing adequate leadership in community affairs.
6. Providing more adequate assistance to youth especially with reference to vocation guidance and training in citizenship.
7. Strengthening the rural home.
8. Creating a more community-centered religious and church emphasis.
9. Developing a forest-centered tradition.
10. Organizing for united action of the greater Libby-Troy community.

A more detailed statement of certain specific points and projects suggested for consideration follows.

Agriculture

The chief problems are gaining more efficient production, better integration of part-time agriculture and outside employment, and better balance on some farming units and their enlargement. As possibilities for profitable expansion are decidedly limited emphasis should be placed on the improvement of the condition of those now engaged in agriculture rather than on increasing the number of farmers.

Courses of action are (1) a reconnaissance study which would include the classification of land and the determination of profitable types of production, and (2) setting up a long-time educational program and securing technical assistance. Resources for the first-named activity are the State Agricultural College, the Forest Service, county government and the farm organizations; possibilities for carrying on the latter activity are soil conservation district technical adviser, a home agent, a local agriculture committee which would secure outside technical assistance at given times.

Recreation and Tourist Trade

Wise recreational planning is necessary for maximum economic returns from the tourist trade and for the greatest satisfaction to local residents. Such planning includes consideration of tourist facilities, roads, advertising, game and fish management, and preservation of scenic beauties and promoting community attractiveness. Civic organizations, such as the Libby Chamber of Commerce and the Troy Development Association, might take the lead in working out a recreational program but many other groups would be involved. These include the Forest Service, persons providing tourist accommodations, groups interested in game and fish management and those interested in town and countryside beautification.

Water Resources and Electrical Power

Considerable study concerning the development of the water resources in the area is being carried on by various Federal agencies. Definite action will possibly be considered in the future. Thus, one or more civic organizations should assume responsibility (along with the local newspaper) of keeping the community informed on developments and encouraging public discussion so that when specific action is considered the community will be ready to take an intelligent stand with respect to it. As part of the larger problem of the use of water resources, the desirability of public ownership of the water and light facilities in the community might well be considered.

Occupational and Employment Survey

In order to point out additional employment opportunities in trades, services and industries and to provide information for planning the vocational program in the schools, a survey should be conducted jointly by the schools and certain civic organizations.

Cooperative Organization

Farm and labor groups and others might well consider the formation of cooperative organization to supply one or more types of services - e.g., groceries, petroleum products, farm supplies, credit (credit union), electricity (REA), etc.

Cost of Public Services in Isolated Areas

Attention should be focused on reducing the cost of public services in isolated areas. A State zoning law is needed, but even without this, local officials can take some action to prevent settlement in these localities.

Town and Countryside Beautification

A clean-up, paint-up and build-up program might well be initiated. This would include the removing of debris from vacant lots, getting rid of certain shacks, the improvement of streets and sidewalks and the beautification of homes. Civic organizations should take the leadership in such a campaign.

Improvement of Health and Medical Care

The building of a new and modern hospital is a most laudable step in this direction. But, as elsewhere, there is a real need in the Libby-Troy area for more extensive health education and more medical care. Prepayment plans, increase in the number of physicians and their organization around the hospital will in all likelihood play a part in reaching this latter objective.

The School

The citizenship training and vocational guidance and training functions of the school should be strengthened. The use of the school as a community center should be encouraged.

Home Agent

The county should cooperate with the Extension Service in bringing a home agent to the county. Leadership is badly needed in the field of home-making and family life.

The Church

Cooperative endeavors of the churches in the area should be encouraged as should be the application of religious principles and leadership to community problems.

Community Council

A council representing the major organized groups in the greater Libby-Troy community should be organized. The principal function of such a council would be to coordinate various programs and projects of community-wide concern.

The Forest Program

In order to prevent liquidation of the forest resource it is proposed that the national forest and the one large private holding, comprising 88 percent of the total timber volume, be combined into one management unit and placed on a sustained yield basis. A major aim of this plan would be to stabilize the principal industry in the area, the Libby Mill. This program which has been in the making during the last several years would be given legal status by a cooperative agreement between the Forest Service and the Libby Mill authorized under Public Law 273. At the present time the Libby Mill cuts almost all of the sawlog timber taken from the national forest in this area and this is to continue according to the above proposal.

One function of this survey has been to sample community opinion with respect to the forest policy outlined in part above. Interviews of some length (some consuming several hours) were had with nearly 100 representative persons who had definite interest in forest policy. In addition, questionnaires on the forest program were filled out by nearly 450 individuals. In all, some expression of opinion on forest policy was obtained from probably one-sixth or one-seventh of the adult population. Business people in Libby were on the whole most favorable to the present forest program while the small timber operators (actual and potential) and Troy leaders were most unfavorable.

The public appeared to support overwhelmingly the principle of sustained yield in forest management, was less certain that it would be followed and was deeply divided as to how national forest timber should be utilized. The chief merits of the present forest program as described by those interviewed were: (1) nearly nine-tenths of the timber in the area placed on sustained yield management basis; (2) stabilizes an efficient and community-minded operator and (3) an industry which has the advantage of size; and (4) certain administrative advantages. Major limitations and disadvantages were: (1) inordinate power in the timber industry given the private cooperator (in the agreement under Public Law 273); (2) undue social and political influence results from such a monopolistic position; (3) labor is disadvantaged; and (4) the stability of one community created at the expense of others.

It is most significant that arguments favoring present forest policy stress efficiency - industrial and administrative - while unfavorable arguments emphasize discrimination resulting from too much power given one group. Thus the basic issue is not rapid liquidation of the forest resource versus sustained production but rather concerns the problem of protecting the public interest and distributing equitably the rewards from the forest. The analysis of community opinion suggests the two basic questions raised by this report. The first question is: What type of industry, in terms of type of product, size and number of operators, is most likely to survive in the area and to supply continuous and full employment? The second question is: With a given type of industrial organization, what controls are necessary to insure that the public interest is best served and that the welfare of the whole community is promoted?

Specific suggestions or recommendations as to forest policy are as follows:

1. Desirable objectives.
   Community stability is accepted as the long-time, social goal. This broad aim comprises three elements or objectives with respect to forest policy: (a) The forest objective - the timber lands should be so managed that a continuous supply of forest products is available to the industries dependent upon them. (b) The industrial objective - the maximum of manufacturing possible, within the limitations of raw materials, costs of production and markets, should be promoted so as to offer the highest possible employment in the area. (c) The social objective - forest policy (in its nontechnical aspects) should be democratically determined so that the best interests of all major groups in the community be served and the rewards from the forest be equitably distributed among those dependent on it. These three objectives must be integrated and no one of them sacrificed to the others if community stability is to be realized. It is suggested that forest programs be evaluated in terms of these objectives.

2. A more comprehensive plan before a decision is made.
   A more comprehensive plan of forest management and utilization is needed than has been proposed thus far. The need is to plan for the stability of the whole community; this is much broader than assuring one plant of the necessary raw materials. Therefore, it is recommended that no attempt be made to put the proposed cooperative agreement between the Libby Mill and the Forest Service into effect until the "industrial" and "social" aspects of the forest program as described herein are worked out much more in detail.

3. An industrial plan.
   Many assumptions and inferences have been made with respect to the type of industrial organization that would be most desirable in the community. What is needed, however, are specific proposals buttressed with all the available facts. Thus, it is recommended that a study be made of the industrial pattern or patterns most likely to survive in the area and that this information be made available to the public before any decision is made concerning a cooperative unit, a Federal unit, or the volume of national forest timber allocated to the Libby Mill. It is assumed, of course, that the Libby Mill is an essential part of any industrial pattern likely to survive in the area.

4. A plan for Troy if facts warrant it.
   After this industrial study is made, if the economic facts indicate that a stable timber industry in Troy should be created, then planning to this end should be initiated. In working out a forest program no community should be overlooked in the planning and allowed to decline, unless such a policy has been established to be in the greatest public interest in the long run, both locally and nationally.

5. Public participation in policy making.
   If the best interests of all major groups in the community are to be served, the public must have a voice in determining forest policy. This is especially true if competitive bidding is ruled out in the sale of national forest timber. Heretofore all major decisions have been made, chiefly or entirely, by the Forest Service and the one large operator.

Therefore, it is recommended that ways be experimented with and studied by which the public could participate more extensively in forming forest policy. Perhaps a committee should be formed, with strong Forest Service support, to advise on the public aspect of the management and utilization of the timber in the area. This committee might consist of representatives from the public, labor, timber operators, owners of timber land and the Forest Service. Such a committee would not only represent a cross-section of community opinion in determining forest policy but it would also have the important educational function of keeping the public informed on forest programs. The study groups now in session in the community considering forest programs and policies might well take up the question of the composition of this committee, its method of selection and its various functions.

6. More emphasis on public policy function of Forest Service activities. The Forest Service has the key position in any program of timber management and utilization which has community stabilization as its major social objective. Traditionally the major function of the Forest Service has been to manage the federally owned timber lands. But another and important role (as implied in Public Law 273) has been thrust upon this organization - that of leadership in forming public policies relating to the forest. In carrying out this function the Forest Service at various times must assume the roles of leader, expert, educator, arbiter, and protector of the public interest. Thus, it is recommended that increased attention be paid to the role of the Forest Service in planning for community stability and in related public service functions associated with the management of the forest. This implies study of specific techniques and procedures to use in carrying out this role and the training (both academic and in-Service) of personnel, who are to perform this function.

The forest situation in south Lincoln County presents real problems, but also great opportunities. The community has a relatively large acreage of forest land which, if managed properly, would provide continuous crops of timber.. The public is, however, greatly divided as to how this raw material should be utilized. Thus, the report is closed with the same question with which the discussion on forest policy was opened: Can the public, labor, industry and Government plan together for the common welfare? The writers have high hopes that the Libby-Troy community will answer this question in the affirmative. If they do they will set a precedent which may have Nation-wide significance. It will demonstrate the success of democratic planning in conserving the forest resource and in the promotion of community well-being.

APPENDIX A

TABLES ON SOCIAL ORGANIZATION AND POPULATION

Table 1A. Social organizations* in the Libby area described in terms of the number of members, average attendance (actual or estimated), frequency of meetings and date organized.

Name of organization	Number of members	Average attendance	Meetings per month	Date organized
Religious organizations**				
Assembly of God	--	125	14	--
Catholic	--	--	--	--
Christian Science	--	--	8	1904
Church of God	--	50	14	--
Episcopal	20	15	3	--
Missouri Synod Lutheran	93	60	6	1913
Norwegian Lutheran	130	45	6	1914
Methodist	96	60	8	1898
Presbyterian	108	70	8	1896
Civic organizations				
Libby Chamber of Commerce	125	50	Irregular	1919***
Libby Junior Women's Club	60	40	1	1932
Libby Senior Women's Club	98	40	1	1912
Libby Lions' Club	30	20	2	1931
South Lincoln County Red Cross	--	10	1	--
Fraternal organizations				
American Legion	68	20	1	1920
American Legion Auxiliary	44	20	1	1921
V.F.W.	100	20	1	1945
V.F.W. Auxiliary	45	20	2	1945
A.F. and A.M. Lodge	163	40	2	1912
Royal Arch Masons	55	18	2	1920
Eastern Star	152	45	2	--
I.O.O.F.	72	30	2	1900
Moose	--	--	2	--
Royal Neighbors	56	40	2	1923
Rebekah	149	60	2	1908
Women of the Moose	33	12	2	1926
A.O.U.W.	260	40	--	1914
A.O.U.W. Junior Club	--	--	1	1935
I.O.O.F. Junior Club	18	12	2	1940
Rainbow	34	24	2	1924
Theta Rho	36	32	2	1938
Farm and home organizations				
Kootenai Valley Grange	75	25	2	1937
Farm Women's Club	25	30	1	1935
Garden Club	15	12	1	1945
Pine Tree Club	20	10	1	1937
Recreational organizations				
Libby Ski Club	20	10	Irregular	1936
Rod and Gun Club	60	--	"	1910

* An attempt has been made to include all organizations, but some may be missing. Dash indicates unable to obtain information.

** Sunday Schools, Women's Society, etc., not shown separately.

***Reorganized in 1940.

Table 2A. Social organizations* in the Troy area described in terms of the number of members, average attendance (actual or estimated), frequency of meetings and date organized.

Name of organization	Number of members	Average attendance	Meetings per month	Date organized
Religious organizations**				
Catholic	--	--	--	--
Episcopal	30	20	3	1910
Methodist	32	15	6	1895
Seventh Day Adventist	--	--	--	--
Civic organizations				
Junior Women's Club	40	20	2	1945
Senior Women's Club	30	20	2	1921
Troy Development Club	50	30	2	1945
Fraternal organizations				
Eastern Star	75	20	2	1920
Masons	62	20	2	1920
Moose	50	20	2	1917
Farm and home organizations				
Cabinet Grange	46	40	1	1945
Friendly Club	--	--	--	--
Recreational organizations				
Rod and Gun Club	60	20	20	--

* An attempt has been made to include all organizations, but some may be missing. Dashes indicate unable to obtain information.

**Sunday School, Women's Society, etc., not shown separately.

Table 3A. Population in the Libby-Troy Community from 1910 to 1940. (Source United States Census.)

Area	Year			
	1910	1920	1930	1940
Whole community*	1,768	4,395	4,642	5,392
City of Libby	630	1,522	1,752	1,837
Remainder of Libby School District	200	749	1,195	1,405
Town of Troy	200**	763	498	796
Remainder of community	738**	1,361	1,197	1,354

* Comprises School Districts 1, 2, 3, 4, 6, 7, 11, 15, 20, 22.

**Estimated.

Table 4A. Distribution of selected organizations on the statement: Would you rather live in this community than in any other which you know?

Name of organization	Number answering	Percent Yes	Percent Undecided	Percent No
Libby Chamber of Commerce	29	90	3	7
Troy Development Club	29	86	7	7
Troy Cabinet Grange	30	73	20	7
Libby Senior Women's Club	40	72	13	15
Libby Mill Workers' Union	91	71	9	20
Libby Kootenai Valley Grange	16	69	25	6
Libby-Troy Loggers' Union	45	62	20	18
Libby Lions' Club	15	60	20	20
Troy Senior Women's Club	18	56	22	22
Libby Farm Women's Club	11	55	27	18
Libby High School Seniors	31	52	13	35
Libby Presbyterian Circle B	11	45	10	45
Troy Junior Women's Club	17	41	6	53
Troy High School Juniors and Seniors	15	40	13	47
Libby Junior Women's Club	39	31	13	56
Troy total	109	64	14	22
Libby total	283	63	12	25
Grand total	437	64	13	23

Table 5A. Distribution of selected organizations on the statement: Would you like for your children to settle and raise their families in this community?

Name of organization	Number answering	Percent Yes	Percent Undecided	Percent No
Libby Chamber of Commerce	29	93	7	0
Libby Kootenai Valley Grange	16	76	12	12
Troy Cabinet Grange	30	74	13	13
Troy Development Club	29	72	21	7
Libby Lions' Club	14	71	21	8
Libby Senior Women's Club	40	70	17	13
Libby Mill Workers' Union	89	62	16	22
Libby Farm Women's Club	11	55	27	18
Libby-Troy Loggers' Union	43	49	30	21
Troy Senior Women's Club	18	44	28	28
Libby Presbyterian Circle B	12	33	25	42
Troy High School Juniors and Seniors	15	27	27	46
Libby Junior Women's Club	39	23	21	56
Libby High School Seniors	31	16	32	52
Troy Junior Women's Club	17	12	24	64
Libby total	281	55	19	26
Troy total	109	52	21	27
Grand total	433	54	20	26

Table 6A. Distribution of selected organizations on the statement: Is this community progressive?

Name of organization	Number answering	Percent		
		Yes	Undecided	No
Libby Senior Women's Club	38	74	5	21
Libby Chamber of Commerce	29	72	14	14
Libby Lions' Club	15	60	13	27
Libby Mill Workers' Union	83	53	13	34
Libby-Troy Loggers' Union	40	52	23	25
Libby Presbyterian Circle B	12	50	17	33
Troy Cabinet Grange	29	45	10	45
Libby Farm Women's Club	11	36	18	46
Libby Junior Women's Club	38	34	18	48
Troy Development Club	28	29	18	53
Libby Kootenai Valley Grange	16	25	13	62
Troy Junior Women's Club	16	25	13	62
Troy Senior Women's Club	18	23	33	44
Libby High School Seniors	31	13	23	64
Troy High School Seniors and Juniors	15	0	6	94
Libby total	273	49	14	37
Troy total	105	27	16	53
Grand total	418	43	16	41

APPENDIX B

TABLES ON FORESTRY

Table 7A. Volume of timber cut in Lincoln County and in the Kootenai National Forest, and percent latter is of former for given years.*

Years	Average annual cut M feet		Percent Kootenai National Forest forms of Lincoln County total
	Lincoln County total	Kootenai National Forest	
1908 - 1909	--	4,340	--
1910 - 1914	--	13,810	--
1915 - 1919	--	5,402	--
1920 - 1924	--	21,352	--
1925 - 1929	76,187	12,220	16
1930 - 1934	26,088	7,947	30
1935 - 1939	41,997	17,197	41
1940 - 1944	76,984	41,252	54

*Data furnished by Northern Rocky Mountain Forest and Range Experiment Station.

Table 8A. Number of timber land and sawmill owners in Lincoln County paying a property tax of over $1,000 annually, total tax paid by these owners and percent of this total paid by the Libby Mill for selected years years.*

Year	Tax assessments of $1,000 and over on sawmills and timber land			Percent of total tax of large owners paid by Libby Mill
	Number of owners	Total tax	Tax paid by Libby Mill	
1920	5	$115,154.10	$37,215.39	32
1925	5	97,377.49	34,017.60	35
1930	4	79,637.29	25,649.38	32
1935	4	60,610.12	14,155.30	23
1940	3	60,755.73	15,233.25	25
1944	3	63,827.54	46,109.07	72

*Data furnished by the Lincoln County treasurer's office.

Table 9A. Total volume of timber sawed by Libby Mill, national forest timber* cut and sawed by Libby Mill and percent national forest timber forms of total volume for given years.**

Years	Average annual volume of timber in M feet sawed by Libby Mill		Percent national forest timber forms of total volume
	Total volume	Cut from national forest* by mill	
1926 - 1929	--***	5,677	--
1930	51,414	6,246	12
1931 - 1936	30,974	--	--
1937 - 1940	48,082	12,928	27
1941 - 1944	65,555	39,599	60

* A small proportion of this timber was cut from national forests adjacent to the Kootenai.

** Information furnished by the J. Neils Lumber Company.

***A dash indicates information lacking.

APPENDIX C

ADVANTAGES OF LARGE AND SMALL MILLS IN THE INLAND EMPIRE

By Nicholas Helburn

The sawmill is one of those industries where the point of absolute decreasing returns with increased division of labor is very high. Perhaps the critical difference between large and small is the point where a band saw is used rather than a circular saw. The band saw is so much thinner that a good deal more lumber is obtained from the same logs. This is shown by the fact that a band sawmill will get a 20 percent to 30 percent overrun when the lumber is measured by lumber tally over the "log scale" measurement, while the circular sawmill will not get any. There does not seem to be any thinking along the line of thinner circular saws nor is there much hope of a simple, easy-to-operate band saw. The present band saws are expensive, difficult to install, use more power and require expert care. (A band saw filer will frequently get twice the wages of the sawyer who himself is considered one of the most skilled persons in the plant.)

The present band saw operating an 8-hour day, a 22-day month, for 11 months, will cut 10 million board feet of lumber. Above this point a resaw or gang saw is installed and then a second band saw along with a whole second set of operations. As yet there are no mills, at least in this region, which have carried their expansion so far that with full operation they do not get lower cost with increasing size. The largest mill, with an annual capacity of about 200 million feet has the lowest milling cost.

There are several other advantages with increasing size. Any commercial operation in this region has a genuine sales problem as soon as it starts selling beyond the neighborhood. The region's margin is small when selling in the Middle West, even in the Plains. There lumber is competing with inferior grades from the coast mills which are there considered mere by-products of the manufacture of high grades. This competition requires a sales organization which in turn requires considerable volume for support.

The larger mill also utilizes to a profit all the sawdust, edgings, slabs, and even bark, either selling it as hog fuel for heating homes, or having it pressed into "Presto-logs."

Then there is an advantage of bigness, usually skipped over by most economists and everyone else for that matter. It might be put under the heading of "political economy." It is the advantage of a large concern of bargaining with other large groups: Government, unions, railroads, suppliers of equipment, banks, etc. It is impossible to measure, and is denied by some.

So far just the advantages of largeness have been covered. The disadvantages are present too. One is that large production must come from a large area. Hauling costs become significant. As production continues, logs must be brought from farther away and costs increase. Either the increase absorbs all the profit or the cutting area extends into the natural timber drainage of another mill. In either case the mill can no longer exist, at least not at that rate of cut.

Perhaps the major disadvantage, however, is the question of overhead. The market is not always such that they can operate at full capacity. As soon as this condition exists the large mill is at a real disadvantage. The overhead is so high that he loses money at a much higher proportion of capacity. It is the instability of market conditions which will cause trouble for large mills in the near future.

With few exceptions, small mills have been run by inefficient managers, have been under-capitalized, with inferior equipment, poor marketing facilities, and sometimes with very poor labor policies. The small mill has been able to operate by selling to special, temporary, or very localized markets; by operating only in the easiest periods of the year; by location close to the logging chance and moving when the local supply is exhausted; by keeping overhead low so that shut-downs cost very little; by hiring labor for short periods and taking no responsibility for them for the rest of the year; by producing rough and "dimension" lumber, or ties. Another way small mills have operated is by going bankrupt. "Records do not disclose a single circular mill in the Inland Empire which has not burned or gone into receivership within the past 10 years." (From a manuscript by Philip Neff.)

If we can assume that the small mill operator can sell his lumber, and can operate throughout a long season, perhaps 8 or 9 months, it is quite possible that his labor policies could be improved to provide steady skilled help for him and stable income for the community; that his capitalization be made sufficient, and that his managerial ability be improved. He would be able to take advantage of the short haul, and probably through personal contact could get better work from his employees. His overhead would be low enough to weather slack periods and off seasons better than the large mills. He still would not be getting as much lumber out of a given size of log as the large mill and he still would have a problem of getting any return from sawdust, slabs and edgings.

However, there is a real question as to whether the assumptions of market and long season can be made for Lincoln County. Whenever the small mill operator starts selling beyond the local market (a radius no larger than he can deliver himself), the lumber broker absorbs any margin which may exist. Thus, the broker takes the profit during periods of high prices, leaves the operator adrift during periods of low prices. If a cooperative marketing organization could be used for disposing of the finished lumber, one problem would be solved.

It is my opinion, however, that the small operators of this region would be extremely difficult to organize into an ordinary producers' cooperative. Producer cooperatives have been successful usually when the members are close together and far from their market. The differentiation between local and general market has been clearly marked. The use of a central grading, packing and shipping point has served to keep the organization focused. Seldom has there been competition from larger, more efficient producers of the same commodity. The members have had fairly large investments in real property and in many cases were committed to a long-run point of view by the nature of their enterprise (i.e., orchards). In most cases the production of the commodity marketed cooperatively, absorbed their full time, attention and energies.

None of these attributes which would make for success of the producers' cooperative are characteristic of the small mill operator. However, through contact with consumers' cooperatives, they might be able to secure a cooperative outlet. That is, if a market were held out to them, they might organize to be able to accept it. In this part of the country, that would almost have to be the Farmers' Union Cooperative. That relationship might be established to the benefit of both mill operators and farmers. Whether such an organization could go on into remanufacturing, the utilization of waste wood, would depend on the number of producers within a relatively small area. The same restriction would apply to a collecting and grading and reshipping warehouse.

There is one other way in which a small mill operator may be successful. "I have always felt that a small mill built around a production of about two million feet of one of the pines and a remanufacture plant is an efficient, small-town, small-man set-up. He need not worry about disposal of slabs or edgings, as the community will use all he produces for wood (fuel)." (From comments by I. V. Anderson.)

APPENDIX D

WHY LINCOLN COUNTY STILL HAS A RELATIVELY LARGE STAND OF COMMERCIAL TIMBER

By Nicholas Helburn

There are a number of reasons which help to understand why there is so much more timber left in Lincoln County than there is in others to the southwest or to the southeast.

Undoubtedly the principal reason stems from the fact that there is so little land suitable for agriculture. Throughout the Northern Rockies, farmers tried to sell the timber on their farms. If they could not do this, they would burn it. Farms bring roads which make more timber accessible, but road building came relatively late to Lincoln County. Farms mean population which in turn has some correlation with the number of fires.

Further, farms supply a large part of the labor for small mills. Flathead County, for instance, has had a much greater tie production than Lincoln County.

Another cause of the small farm population is the lack of a railroad grant to the Great Northern Railroad in Montana. Not having land to sell, the railroad did not promote these lands as intensively as others.

Lincoln County stands on the boundary between two regions when the question of demand is considered. The Montana forests have been stripped of their yellow and lodgepole pines and some Douglas-fir by demand primarily for mining industries. Naturally timber close to Butte was cut first. Lincoln County, being the farthest away of the A.C.M. holdings had not been reached when the Libby Mill obtained control of those lands from the A.C.M.

In Idaho the history of the cut is divided into two periods. First, the settlers cut the yellow pine for local demand, primarily because of its accessibility on the lower slopes. Then as the Lake States white pine ran out, a national demand for Idaho white pine sprang up. This was cut from the largest and most accessible chances, which classification does not include Lincoln County. In addition, the match companies came into north Idaho using only white pine. The white pine stands in Lincoln County were not sufficiently attractive to bring one there.

Still another discouragement to widespread early use of Lincoln County timber was the high proportion of national forest in the county. Wherever private timber has been available it has been cut in preference to national forest land.

Summarizing, we find that there has been less fire loss and that the proportion of timber cut is lower because of the higher proportion of national forest, the inaccessibility, the smaller population, all of which tie back primarily to the roughness of the terrain. Secondary factors include the small proportion of white pine, the A.C.M. cutting schedule, and the lack of a railroad land grant.

APPENDIX E

IS THE DOMINANCE OF A FOREST BY ONE LARGE MILL THE RULE OR THE EXCEPTION?

By Nicholas Helburn

I have put the question, "Is the Kootenai Forest the exception in having only one large operation?" to a number of foresters. In most cases the immediate answer was, "Yes," but later this response was frequently modified.

Several foresters implied that in few places in the West were conditions freely competitive. That is, though the dominance may not be as direct and as obvious and as well integrated as in Lincoln County, there is a very limited field of choice in most areas of valuable timber.

Perhaps we can best describe it as an ecological succession. In terms of timber use, a primitive forest is first occupied by very small scattered sawmills. As soon as market conditions and accessibility (transportation facilities) permit, large mills grow up, usually replacing only a part of the small mills.* Not a very long period elapses before all the private timber is exhausted. The Forest Service is then faced with the problem of supplying this large capacity from a limited annual cut. They naturally want to favor the most efficient mill in the best location. When there is insufficient stumpage to keep all the mills going, they will try to concentrate it in as many mills as are required, operating at reasonably full production.

This is the situation in many places in the West. It would be the situation in Lincoln County except for two facts: (1) The Forest Service had such a large proportion of the timber that the period of extreme overproduction lasted a relatively short time, and (2) the differential in efficiency and control of private land between the Libby Mill and the other large mills was so great that the Libby Mill is still in good condition while the others have passed out of the picture entirely.

Applying this to the question of a single mill's dominance over a forest, we would have to say that there are very few places where it now exists, but there are many areas where it will be the case within the predictable future, within the time span of Forest Service planning.

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*Where large blocks of timber lie some distance from railroad facilities, the first stage of the succession may be omitted, the large mills building the transportation link to the national market, as well as the transportation system in the woods.